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Alleged Japanese Demands on French Indo-China

SITUATION QUIET BUT "BALLOON MAY GO UP"

THE SITUATION IN FRENCH INDO CHINA REMAINED QUIET THIS MORNING, ACCORDING TO AUTHORITATIVE SOURCES.

Chinese sources declare that negotiations are in progress between the Japanese authorities and Rear Admiral Decoux regarding the Japanese demands which are stated to be as follows:

- 1.—Establishment of Japanese naval bases at Kwangchowwan, Haiphong and Camn-Rahn Bay;
- 2.—Establishment of Japanese military bases at Haiphong and in the interior;
- 3.—French section of the Haiphong-Kunming Railway to be made available to Japan for transportation of men and materials;
- 4.—Establishment of Japanese aerial bases on French territory;
- 5.—Closer economic collaboration between Indo China and Japan.

WARSHIPS CONCENTRATE

There is no confirmation from other sources of these so-called demands. Although the situation in Indo China is at the moment quiet.

Commons Discusses Economic Situation

STRENGTHENING BRITAIN'S SINEWS OF WAR

LONDON, Aug. 7 (Reuter).—The Government has directed its energies since its formation to strengthening the sinews of war, declared Mr. Arthur Greenwood, Minister Without Portfolio in the War Cabinet, initiating a discussion on economic organisation in the House of Commons to-day.

GERMAN AIR RAIDS INTENSIFY

R.A.F. Keeps Up Good Work Against Enemy

LONDON, Aug. 7 (UP).—There has been a sudden intensification of daylight raids on England.

As a result several farm buildings in south-west England have lost their roofs or have otherwise been seriously damaged.

A number of high explosive bombs fell near a small town to-day and some of the residents had narrow escapes.

The Air Ministry announces to-night that R.A.F. bombers raided the Paris airport at Le Bourget last Tuesday afternoon.

Several large twin-engined German aircraft were on the ground and others of medium size were standing near the hangars.

The British raiders took the enemy completely by surprise and dropped bombs near the aircraft and hangars.

The British planes had fulfilled their mission and were en route back to their bases before the German anti-aircraft guns could be brought into action.

British bombers attacked the oil plant at Homburg, the supply depot at Schwerte, a factory at Mors and aerodromes in Holland and North Germany on Tuesday night. One British plane failed to return.

Where Is Belgian Government?

LONDON, Aug. 7 (Reuter).—In the House of Commons to-day, Mr. R. Butler, the Under-Secretary for Foreign Affairs, was asked for information on the press, whereabouts and attitude of the Belgian Government.

Mr. Butler told the House that Lord Halifax was awaiting certain information. In the meantime he preferred not to give a detailed reply.

Quake Reported In Iran

TEHERAN, Aug. 7 (Dome).—Reports trickling from Teheran and Haldari in northeastern Iran said that a severe earthquake occurred there, causing considerable damage. No loss of life was reported.

He began: "It was clear in the very early days of the new government that a tremendous and growing burden rested on Britain. I do not think, however, that the outlook to-day should daunt us."

"To achieve victory as swiftly as may be, our fighting forces must be adequately provided with the sinews of war, and the people must be kept in good heart. The Government has directed its energies to strengthening the sinews of war."

"Planes, tanks, guns and munitions of war each call for varied skill and a large variety of materials, drawn from the four quarters of the earth."

It Is Total War

"The arena of the war has widened by the increased range of aircraft and the war has become a total war in which the term non-combatants ceases to have any meaning. War of this kind and the complexity involving the whole population calls for economic organisation on a scale unknown in the past and I am prepared to admit, not yet fully achieved in the present."

Turning to the economic position of the enemy, Mr. Greenwood said: "Hitler, in his latest speech, painted a rosy picture of his economic strength. He also said that his total supplies for the Army and Air Force are considerably greater than before the attack in the west. That no doubt is true, as of course it is true of this country. But Hitler is beset by serious problems within his swollen boundaries which will intensify as days go by."

Hitler's Food Supplies

"Hitler boasts that his food supplies are guaranteed for as long as the war lasts. I wonder, I fancy that as the war draws on, Hitler will not be happy, as a condition of famine, for which his aggression and conquest are responsible, has condemned considerable areas of his newly-acquired territory."

"A multitude of refugees have tramped on growing corn. His tanks have devastated much of the countryside and his own crops are not very good this year. Next spring he will begin to feel the pinch of the food problem even more seriously than now. He will continue the making of war material but some of his chief industrial areas and aerodromes have suffered very heavy punishment."

"Oil refineries, stores, railway junctions, marshalling yards, docks and ships have been and will continue to be targets for our deadly bombing planes night by night, week by week, more heavily as our bombing strength increases."

Heavily Damaged

"His output undoubtedly has been very seriously interfered with. It will be difficult, if not impossible, to replace the damage to productive enterprises. Lines of

Pope Appeals For Truth

SPECIAL TO THE "TELEGRAPH"

VATICAN CITY, Aug. 7, (UP).—His Holiness Pope Pius appealed to newspapers to-day to tell the truth, asserting that incorrect information was comparable to the destruction caused by armoured cars and bombers.

"The tongue has killed more people than the sword," he added.

Nazi Pilot Captured By Woman

Drama In English Country Lane

LONDON, Aug. 7 (Reuter).—A German airman, who is thought to have landed by parachute and who had been at large for about 11 days, was captured to-day in the Bristol area. He surrendered to a woman motorist who noticed his unusual appearance.

It is thought that he may have baled out after his machine was hit.

Walks Out Of Wood

It later transpired that he was captured by Lady Buckland, widow of Lord Buckland. The airman emerged from a wood looking very dishevelled and could only speak a few words of English.

He indicated by a shrug show how he had baled out of his plane and that he was afraid to surrender because he expected to be killed immediately.

It also transpired that the authorities have also arrested two other airmen who had baled out of a plane, and had been searching for this man for the past nine days.

Heavily Damaged

"His output undoubtedly has been very seriously interfered with. It will be difficult, if not impossible, to replace the damage to productive enterprises. Lines of

Turn to Page 5, Second Column

It is reported that, in addition to a concentration of some twenty or thirty warships in the vicinity of Tongking Bay, Japan has approximately 30,000 troops along the Indo China-Kwangsi frontier.

The French authorities have dynamited all railway and highway bridges along the Kwangsi and Yunnan frontiers.

The "Telegraph" learns that, in addition to 18 Japanese transports sighted earlier this week heading southwards, presumably towards Indo China, eleven transports were later sighted by a ship en route from Shanghai to Hongkong, heading in the same direction.

American naval sources in Manila confirm increased movements of Japanese warships southwards from Formosa.

Chinese sources reported last night that Generalissimo Chiang Kai-shek has concentrated some twenty divisions of troops under General Li Chung-jen on the Yunnan-Indo China frontier.

It will be recalled that the Chinese Foreign Minister, Mr. Wang Chung-hui, last week warned the French authorities that China would be forced to adopt "certain measures" in the event of enemy troops being permitted to land in Indo China.

Demobilisation Lenses

Demobilisation of French and colonial troops in Indo China has caused re-organisation from the new Governor-General, Admiral Decoux, who is concurrently Commander-in-Chief of the French Asiatic Squadron.

Although the French army and naval forces in the Far East are not considerable, France is believed to possess a goodly number of submarines, which are stated to be based at Camn-Rahn Bay. In the event of hostilities, the Japanese Navy would then meet submarines for the first time in Japan's naval history.

It appeared this morning that shipping between Hongkong and French Indo China, which temporarily ceased last week because of the Japanese refusal to permit British ships to load or unload, has returned to normal. British ships are stated to be sailing on schedule for Indo China ports.

Official In Hongkong

Some interest has arisen locally at the recent arrival here of Commandante Castex, who is stated to be representing the Governor-General of Indo-China. The "Telegraph" learns that Commandante Castex has conferred with British officials, including the G.O.C. British Troops, during his stay here.

Grew Calls On Matsukawa

SPECIAL TO THE "TELEGRAPH" TOKYO, Aug. 8 (Dome).—The United States Ambassador, Mr. Joseph Grew, called on the Foreign Minister, Mr. Yosuke Matsukawa, at 9 o'clock on Wednesday.

It was understood that Mr. Grew questioned the Foreign Minister about foreign Press reports regarding the Franco-Japanese negotiations on the French Indo-China situation. The Foreign Minister pointed out that the Press reports were "utterly inaccurate."

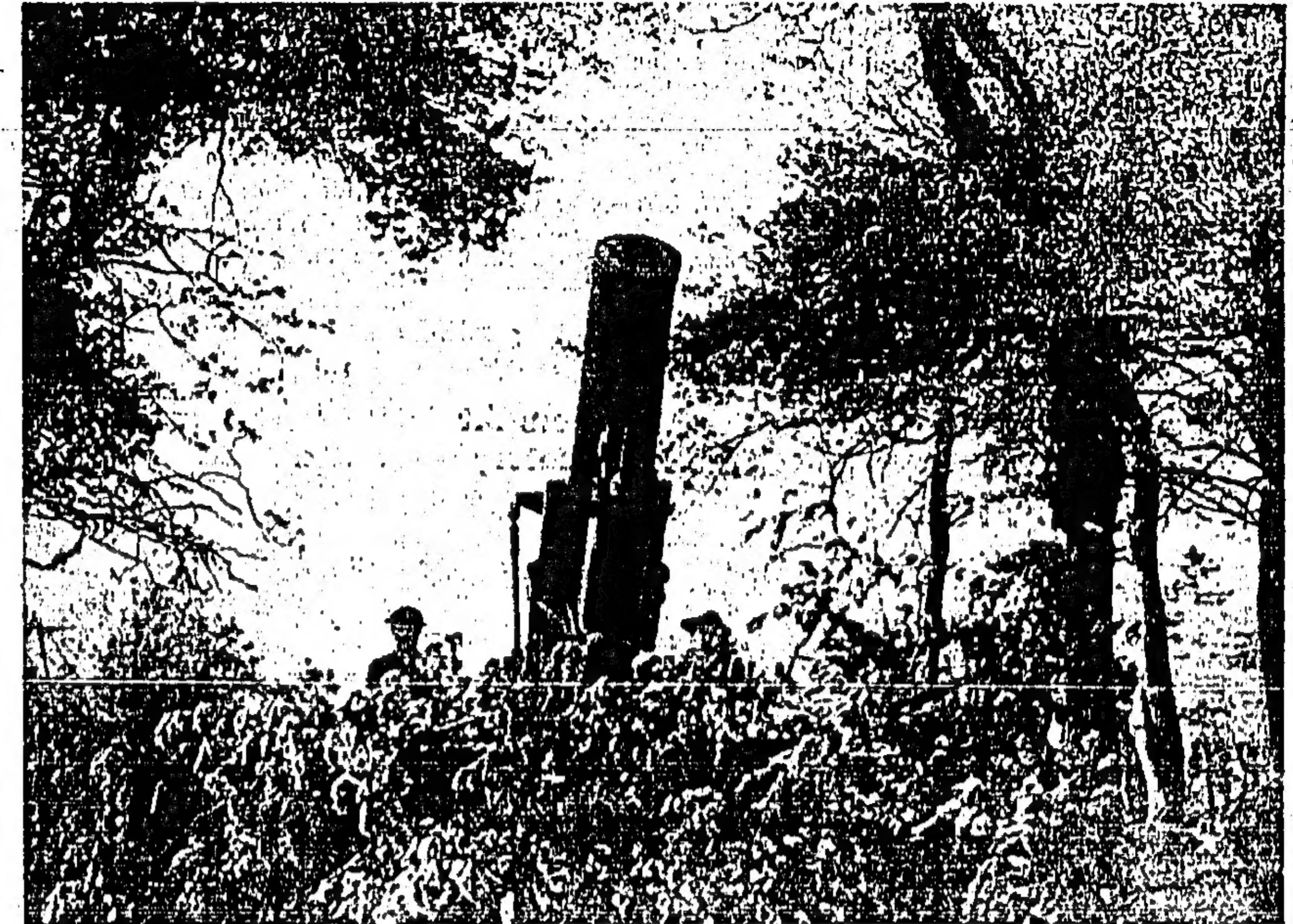
The Ambassador's move is believed to be indicative of the United States concern over the possible developments in French Indo-China.

It also transpired that the two airmen who had baled out of a plane, and had been searching for this man for the past nine days,

had been captured by Lady Buckland, widow of Lord Buckland. The airman emerged from a wood looking very dishevelled and could only speak a few words of English.

It was also transpired that the two airmen who had baled out of a plane, and had been searching for this man for the past nine days,

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Spain's Threat To Britain

SPECIAL TO THE "TELEGRAPH"

MADRID, Aug. 7. (UP).—The Fascist newspaper "Arriba" declared to-day that Spain was "physically on the verge of battle" against Great Britain.

"Spain is a moral belligerent," it declared.

Britain is the direct violator of our destiny.

"We cannot overlook her armed forces menacing the integrity of our territory."

PASSENGER SHIP TORPEDOED: NO U-BOAT WARNING

SPECIAL TO THE "TELEGRAPH"

LONDON, Aug. 7 (UP).—The 9,337-ton Elder Dempster motor-ship Accra was torpedoed off the Irish Coast on July 25 whilst leading a convoy, it has just been revealed in London.

Eight passengers and nine members of the crew are missing.

The Accra, which was launched in 1926, has a normal accommodation for 400 passengers and 160 crew. It is authoritatively learned she did not carry any children.

Survivors state that there was no panic, although one lifeboat capsized and a raft turned over.

The submarine fired without warning and she was not sighted at any time during the sinking.

Sank In 30 Minutes

The Accra sank in about 30 minutes, going down by the stern with her ensign flying.

Most of the lives were lost when the motor lifeboat capsized.

A member of the crew said: "I saw the Captain picked up."

Herbert Enlight, a steward, said: "I had just finished serving coffee after luncheon when the torpedo hit us."

"I was on the Lusitania in the last war when she was torpedoed, and this is the third time I have been torpedoed in this war."

"The passengers and crew behaved wonderfully, but nobody had any time to collect their belongings."

"I understand the submarine was sunk a few hours later."

The Accra is well known on the African coast and has been engaged in the Liverpool-West Africa service.

Bad Weather Hampers

But R.A.F. Score Hits On Nazi Factories

LONDON, Aug. 7 (Reuter).—An Air Ministry communiqué states that last night R.A.F. bombers, hampered by low cloud and poor visibility, were forced to abandon many of their primary objectives.

In spite of this, an oil plant at Homburg, a supply depot at Scherte, an anti-aircraft battery at Hamborn, and a factory at Mors were attacked, while other aircraft bombed aerodromes in Holland and Northern Germany, causing damage to hangars and many fires.

One of our aircraft is missing.

To-morrow's proceedings are expected to be purely formal.

Thereafter, "witnesses" will be examined and individual indictments framed.

LATEST

See Back Page For Further Late News

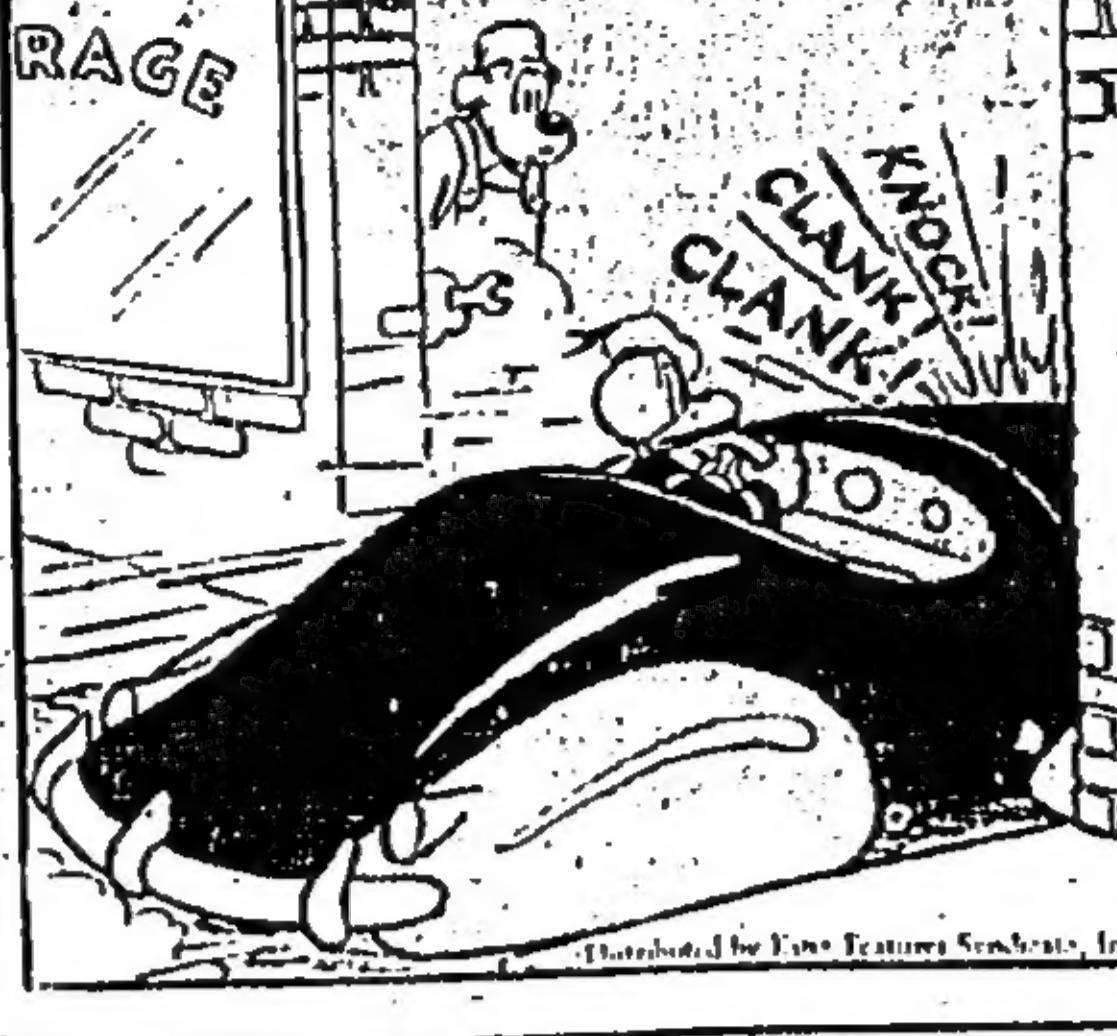
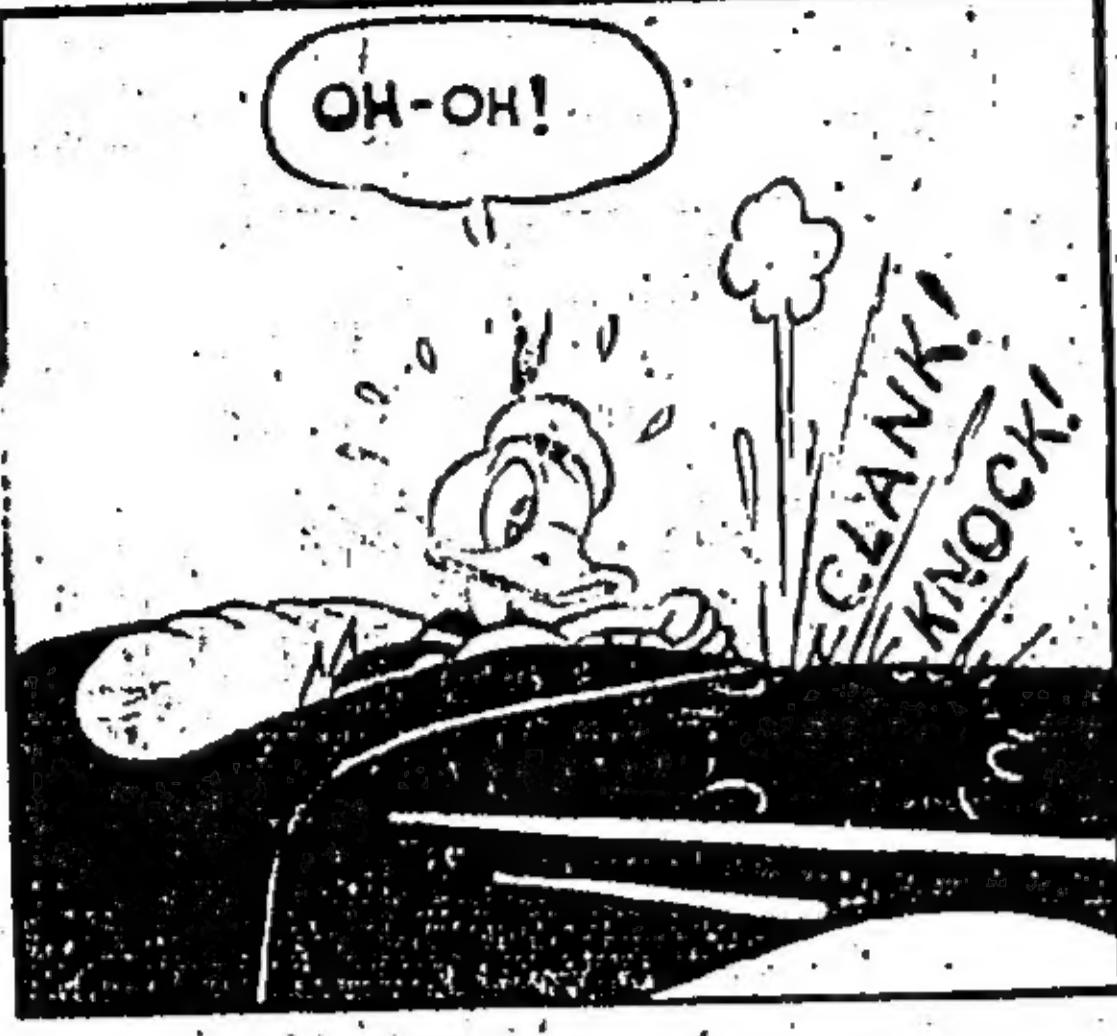
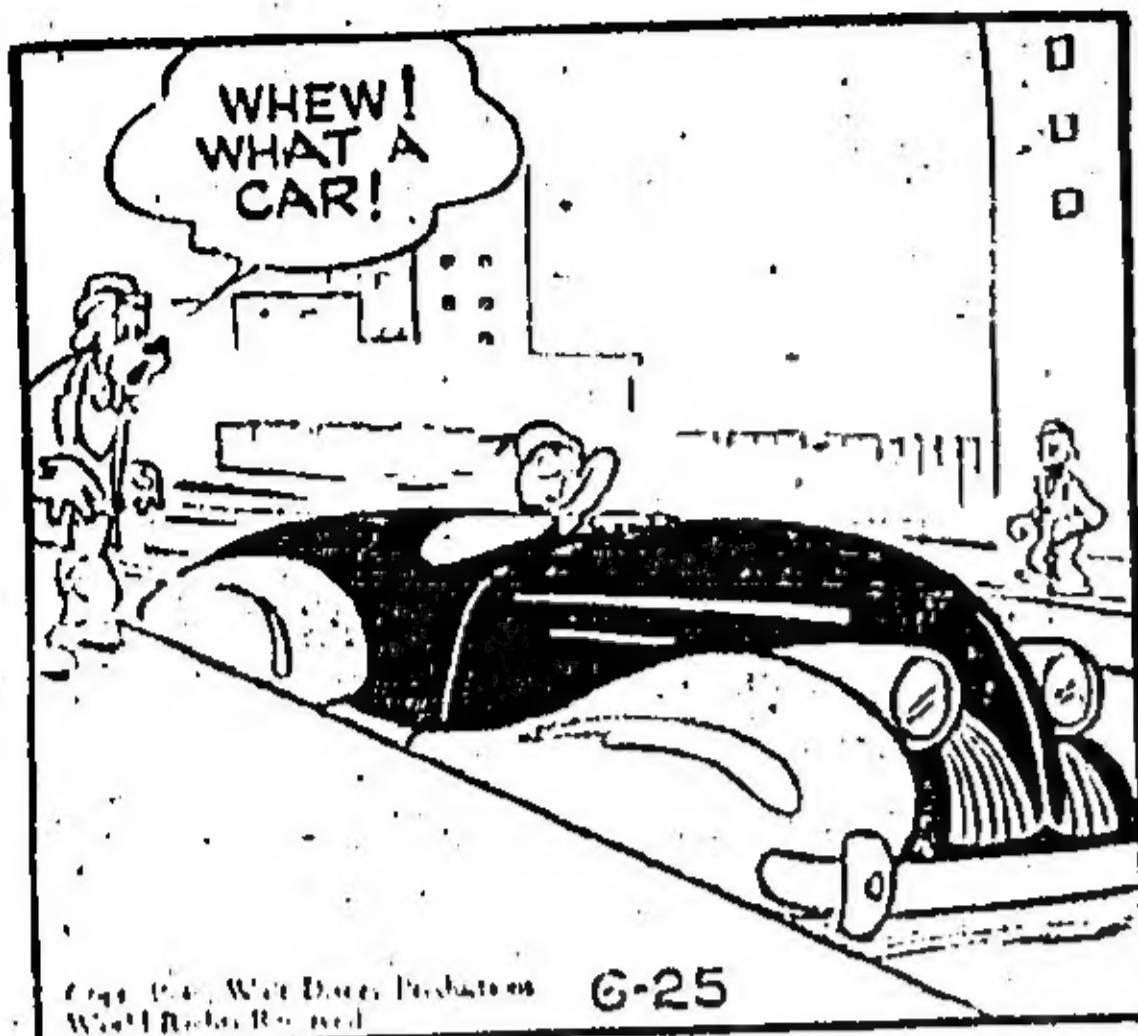
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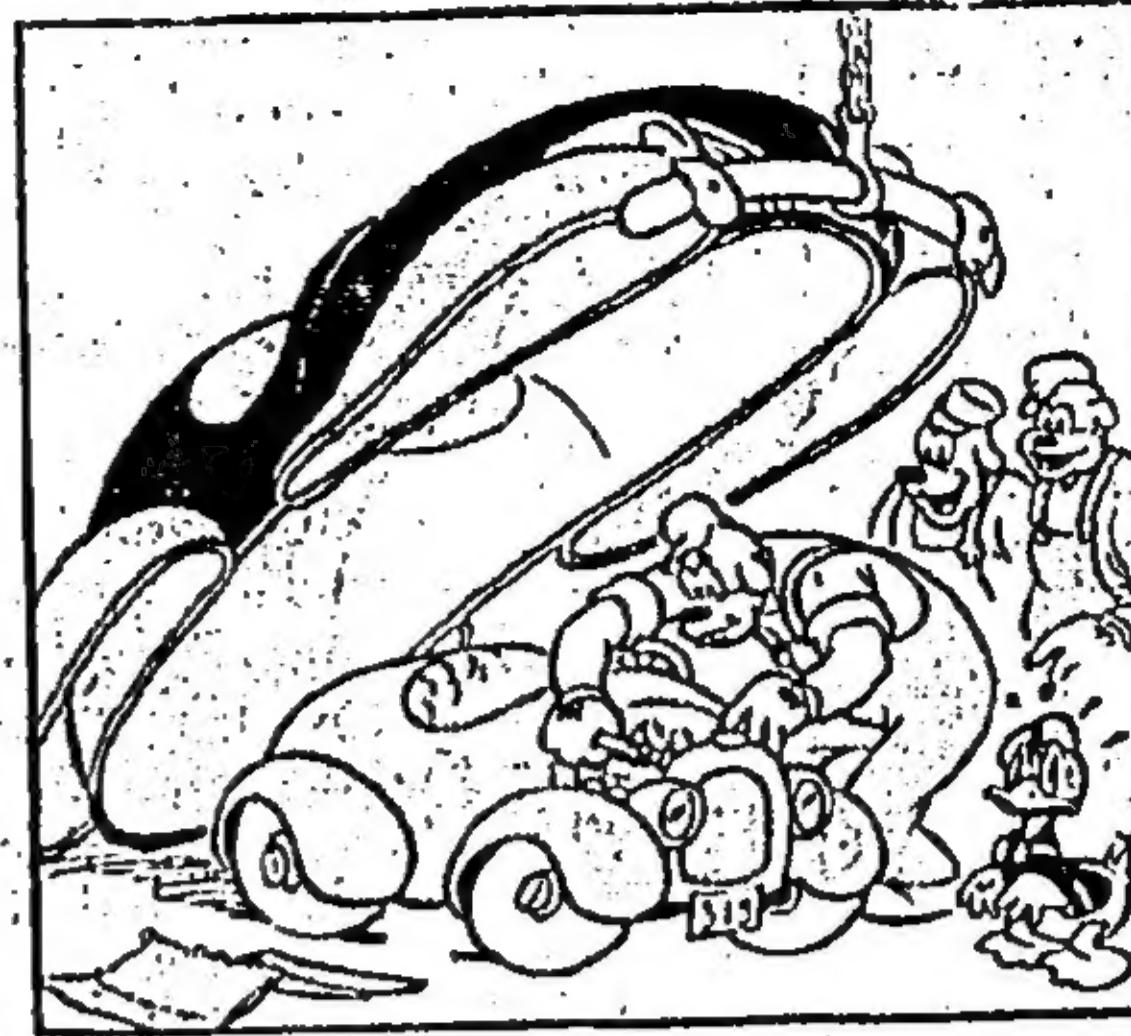
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MAGAZINE PAGE

MEDITERRANEAN
WAR MAP

THIS map shows the area of Europe and Africa affected by the entry of Italy into the war on Germany's side.

Italy has, as the map shows, many possible directions for her initial attacks, but whatever she undertakes will obviously fall into the pattern of German strategy.

Recent Italian claims have demanded Gibraltar, Malta, Sicily and Palestine from the British. These may forecast attacks by air and sea. Sicily and Palestine are within range of the strong Italian bases in the Dodecanese Islands.

Malta has the fortified Italian base of Pantelleria Island as close neighbour. Gibraltar would only be in

ports would at the same time offer bases from which to interfere with sea communications—especially with Turkey.

Italian action from her African possessions of Libya, Eritrea and Abyssinia would from the start be handicapped by the impossibility of maintaining supplies by sea; for in any Mediterranean operations the Italians must reckon with British naval superiority.

One thing is clear; if Italy enters this war with Germany she will be the one certain loser. A German victory will leave Italy as much in a state of vassaldom to Hitler as it was to Britain and France, and from an Allied victory Italy could expect scant mercy.

The latter would be made with the object of securing the Greek seaports against possible Allied footholds. These

Footnotes to History

Armored warships have so completely revolutionized naval warfare that the general American reader, knowing the importance of the invention, but lacking knowledge of its true birth, is filled with pride in the feeling that for the first time in history ironclads were used in the struggle to preserve the Union. The bloodless battle between the Monitor and the Merrimac, off Hampton Roads on March 9, 1862, is pointed out as the inauguration of the use of ironclad vessels.

This is not the precise truth. For, in 1855, during the Crimean War, Capt. Cowper Coles of the Royal Navy had ingeniously out-fitted a raft with iron-plated protection, and boasting a revolving 32-pounder that rotated without the use of spikes or tackle. The experiment had been born as a result of the hot fire of the Russian guns defending Sebastopol, but never went beyond the embryo stage.

In the summer of 1861, the Confederate engineers raised a sunken Federal frigate, the Merrimac, after cutting it down to the hull, dressed it in iron plates. This apparent freak created havoc among the Union flotilla, threatening to annihilate the entire fleet. But the following spring, Capt. John Ericsson, a Union engineer, constructed the ironclad Monitor as a counter-weapon.

The subsequent battle was indecisive except for the fact that it halted the destruction of the Northern armada by the South. Its greater significance lies in the fact that it ushered in a new era of naval fighting, that of the steel battleship, and sounded the knell of wooden warcraft.

Daily Quotation

THE ELECT are those who put life into one, who give courage to the faint-hearted; hope out of their own heart's constancy.—LADY RITCHIE.

without prospects and scarcely able to scrape together a living. At twenty-eight, he was a millionaire. At thirty-eight, he retired from money-making, resigning all directorships, and later, passing over the controlling interest of the Daily Express to his eldest son.

How did he do it? He became secretary to a man with great commercial interests, won his employer's confidence by demonstrating a gift for salesmanship and a brilliant trading instinct. Soon, he was handling huge business deals.

He established himself in Montreal as an independent financial source, put through some of the greatest industrial consolidations and reorganizations in the history of Canadian finance.

During one of his visits to London, in connection with financial schemes, Mr. Max Aitken renewed a friendship with a fellow-Canadian from New Brunswick, named Bonar Law. A general election was in progress.

Bonar Law, who was fighting a desperate struggle in North-west Manchester, urged Aitken to come and help him in the fight. Aitken, to the astonishment of every financial house in Canada, declared he would do more. He would fight a constituency himself. He became the candidate for Ashton-under-Lyne.

It was absurd. Aitken was a stranger to this country. His opponent was a local man. He had ten days in which to wrest the seat from the Liberals. He got in with a majority of 190.

Max Aitken settled in London. In 1911 he was knighted. In 1914, he was in khaki as record officer—a sort of super-publicity man—for the Canadian forces in France. In 1916, he was working hard to put out Asquith and put Lloyd George in.

Largely as a result of his and Lord Northcliffe's efforts, the transformed War Cabinet, with Lloyd George as Prime Minister and Bonar Law as Chancellor of the Exchequer and Leader of the House, was formed. Sir Max—he had already been made a baronet—was rewarded with a peerage and became the first Baron Beaverbrook.

It was in the last year of the war that Lord Beaverbrook took over the paper with which he is associated in the minds of most people. He bought the controlling interest of the Daily Express for £17,500. (In the previous year, the paper had lost £40,000.) Beaverbrook spent hundreds of thousands of pounds, and eight years of his life, in making the paper a success. He suffered from management (theoretically) in 1929. In the Express office to-day, "the Beaver," as he is universally known in Fleet Street, is officially Daily Express Reader No. 1.

He also remains its No. 1 contributor. In its columns he has written many articles on current affairs, and has been a frequent guest on radio. He is a member of the Royal Society of Arts, and has been elected a fellow of the Royal Society of Literature. He is a member of the Royal Society of Arts, and has been elected a fellow of the Royal Society of Literature. He is a member of the Royal Society of Arts, and has been elected a fellow of the Royal Society of Literature.

BRITAIN'S LEADERS: No. 2

MINISTER FOR
AIRCRAFT PRODUCTION:LORD
BEAVERBROOK

THE new Government has only one Member who, in public life, has inflamed more controversies and fanned more feuds than its Prime Minister.

He is the man whom Mr. Churchill chose as Britain's first Minister for Aircraft Production. It wanted a war to make Churchill Prime Minister; it needed a Churchill to coax Lord Beaverbrook off the front page of the Daily Express and to harness the resources of that human power station to the machinery of government again.

In accepting office, Lord Beaverbrook becomes the only member of the new Government who shares with Mr. Churchill the distinction of having held important ministerial rank in the Coalition which led us to victory in the last war.

Towards the end of 1917, Lloyd George invited Beaverbrook to become the first Minister of Information. But those who hoped that Beaverbrook would become Minister of Information again were disappointed. At the outbreak of war he let it be known that, if the post were offered to him, he would refuse it.

It was thought to be Lord Beaverbrook's intention to refuse Government office altogether. Instead, Mr. Churchill has persuaded him to accept an appointment in which success is as vital to our war effort as Lloyd George's op-



Most unexpected, most impressive of Mr. Churchill's Cabinet changes was the appointment of Lord Beaverbrook as Minister for Aircraft Production.

Beaverbrook press—which, officially, Lord Beaverbrook no longer owns, and with the views of which, officially, Lord Beaverbrook does not necessarily agree—but has been campaigning the Government to depend not on America, but on increasing the production of our own aircraft factories in this country. Now it is Beaverbrook's job to answer their demand.

His first aim in life—when he was Mr. William Maxwell Aitken, the sixth son of an evangelical minister, with very little and limited income, in New Brunswick, Canada—was to make money. At twenty, he was penniless,

pointment to the Ministry of Munitions in the last war. Now, the astonishing genius which transformed the penniless son of a Presbyterian minister into a millionaire at twenty-eight, established an unknown Canadian as a dominating figure in politics in his early thirties, and boosted a derelict newspaper into a position of world importance in its proprietor's middle life, is devoting his powers to the immense and momentous task of giving the Allies numerical superiority in the air.

Deliveries from the United States have fallen short of hopes. The

HERE IS A
FOOTBALL
POSER

FOUR teams—the Lions, the Tigers, the Panthers and the Bears—formed a miniature football league. Each team played one match against each of the other three, two points being awarded for a win and one point for a draw.

Eleven goals in all were scored, five of them by the Lions. In their match against the Bears, the Lions won by two goals to one.

The Tigers amassed five points in all; the Lions, three points; the Bears, one point.

What was the score in the game between the Bears and the Tigers?

SOLUTION

The Tigers beat the Bears 1—0.

This is a problem in deduction. 1.—It will be found that the Tigers must have won against the Lions; otherwise more than 11 goals are required.

2.—Also all the Panthers matches must have been pointless draws.

3.—One goal is left unaccounted for; and, since the Tigers won their third game, the result must have been as above.

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**The
Hongkong Telegraph.**

Thursday, August 8, 1940.
 Wyndham St., Hongkong
 Telephone: 26015.

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**SOMETHING TO
THINK ABOUT**

Japan has apparently decided on a change in policy and is contemplating action which she feels will realize her aims. One naturally asks what are the prospects for her in this quest for hegemony in Asia. She starts off with a comparatively empty treasury and facing an embargo on essential materials—aviation spirit and scrap metal which hitherto she has been able to import from the United States. Fifty-six per cent. of her requirements come from that country.

This seems to indicate that Japan's trade must immediately suffer eclipse since her merchant ships could hardly expect to trade with Europe, India or Australia on anything like the same scale. Japan more than any other nation depends on trade for her internal economy. Unlike China she is not self-supporting, and she cannot divert the materials she requires from China, now so bitterly hostile.

Japan's greatest anxiety must be her precarious position in China, where she can neither complete her task of conquest, nor gracefully withdraw from the unhappy adventure. The more anxiety she displays in trying to conciliate China the more she acknowledges her own weakness. Japan cannot hope to win over China to her side after the way she has mercilessly and ruthlessly destroyed her cities, and rendered millions homeless.

It is the business of statesmen to envisage the future, and the wisest of them are those who take into their purview the numerous factors which are at work moulding that future. If an important element is omitted, then the policy which is followed lends not to good fortune but disaster. The factor which Japan cannot ignore in the estimate they make is the policy of the United States. So far they know that the United States will not view with indifference any alteration in the status quo of the Netherlands. Mr. Cordell Hull, the Secretary of State, has made that statement and has not retracted it.

There is no reason to suppose that Germany or Italy would allow Japan to retain any conquests if they were successful in Europe, and certainly she could not hold them if they were not successful. What must give Japan further cause for fear is the fact that Germany's much vaunted attack on Great Britain has not materialised, and so much was the situation changed that such an attempt at landing would now be almost welcomed in the British as it would give the army of the Empire an opportunity which it really seeks.

Britain's sea power is unquestioned and is growing stronger, and at the end of the war will be of enormous strength; for quite clearly the Italian fleet cannot destroy it and the Germans have not the means of doing so. That is the first reason for the delay in the "blitzkrieg". The second is the destructive power of the British Air Force, which is relentlessly day and night demolishing

DEAR JOHN,
 NOW that normal life is about to be interrupted and neither of us can be sure when or where we shall next meet, there are one or two things I feel I should like to say to you.

We are both fortunate that you are still at school while the world is occupied in turning itself upside down. When the time comes for it to right itself again, you will have a tremendous part to play—however small, it will be tremendous. Seeing what a mess my generation seems to have made of its job (although the fact that 50 nations joined in sanctions against Italy in 1935 shows how near we got to our goal of abolishing war), we haven't the right to tell yours anything you must find out for yourselves.

Historically, my generation doesn't matter in the slightest any more. We are the past. You are the future. The qualities you will most need in the next few years are self-reliance and adaptability. The world you are growing up into will be a very different world, and a hard one. It will demand discipline of you, and service, and I know you will give them, because I have noted the beginning of a new spirit moving in you and your friends.

I was born just too soon to avoid expecting a measure of certainty from life—peace, social stability, even a degree of enjoyment seemed a part of one's birthright. You will be yourself prepared for defence and (so far at least not make that mistake!) and as the small ones were concerned) to fight for their freedom when the time came.

But growing detestation of war, bred from their experience of the sufferings and futility of the last one (and coupled with the tremendous change in outlook brought about by the growing ease of communications, which makes national boundaries look silly) has set in motion something historic.

Peoples have begun to question whether national sovereignty is any longer the supremely important thing. Hence their half-heartedness about its defence. I say "begin," because it was, only a partially-formed, almost subconscious idea. This gave brute force its chance. But the tendency is good.

The small Powers have been caught midway in a tremendous political movement—but the end of the movement, don't you see, is Federation. What, for the moment, has proved a decisive weakness contains—the seeds—of strength—and fighting-for-it—are certainly—not—its last and only guardians.

LETTER TO MY SON

ramshackle structure for which they stand, seemed supremely comic and of warfare is changing. In the old days soldiers manning the front line were put up those ridiculous birds like a lot of scandalised readers of "Punch," and away went the social order! I haven't felt so carefree for months!

But that is only one small bit of it, and perhaps not a particularly edifying bit. One's personal emotional releases are not important these days. It seems to me that, black as things are for us now, and whatever the immediate outcome, the prospects for the world are by no means hopeless.

Though we are engulfed in the greatest war in history I feel positively optimistic about possibilities of abolishing wars in the future. Seeing that I have already been through one war to end war, does that sound mad? Some of the factors of current weakness in the democracies may themselves actually be symptoms of a better order emerging.

There aren't any rules of warfare; war is a breakdown of rules. For a period of history (in the seventeenth and eighteenth centuries eminently) monarchs waging war on one another agreed on certain rules of war because it was necessary for them, in the midst of their arrangements, to avoid a disturbance of the social order from which they derived their privilege; upset it, and they were gone.

But revolutionary wars are different—and this is a revolutionary war. Hitler doesn't give a damn about upsetting the social order in the democracies—in fact, he has advertised that it is one of the things he is after. When we have got into our heads that this war is only the military manifestation of a vast social, economic and political upheaval that is shaking and remoulding the whole world we shall feel better about it—and we shall stop talking nonsense about "rules." (And after all, even the Nazis have been ruthless to a plan.)

Our country is about to undergo sufferings more terrible and widespread than any that have happened to it since the Black Death, but don't let us flatter ourselves that even if all of us and our order went down in ruin Freedom would perish from the earth. Freedom will not oblige the Dictators by doing any such thing. It is of far too deep and sturdy a growth for that—and my generation, though we have talked and written so much about preserving it (and, to do so justice, have even done our spot of sanitation), And it will develop.

Well, now it is the people's turn. What we need to arm ourselves with in this country to-day is not only guns but brooms. And when both the guns and brooms have done their job, you and your friends can get busy on the site that has been cleared and start building a new world.

I hope you'll do well in the swimming next Saturday.

Your affectionate
FATHER.

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We have often agreed that this is a war of ideas, but so far all the ideas have been on the other side. That is why the other side has out-marshalled us at every point in the game. There has been no inspiration here—and, since Munich, too little conviction.

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TO BUY EGYPT'S COTTON

British Government Appoints Commission

LONDON, Aug. 7 (Reuter).—The establishment of a commission with powers to purchase Egypt's cotton crop was announced by Mr. R. A. Butler, Under-Secretary for Foreign Affairs, in the House of Commons to-day.

Mr. Butler declared that anxiety had been growing for some time in Egypt regarding the disposal of the 1940 cotton crop, the picking of which was about to begin.

Avoiding Economic Disaster

Owing to the great reduction of the demand due to war conditions and difficulties of export, danger was imminent that the bulk would be left unsold in the hands of the cultivators, which would be an economic disaster of the first magnitude.

On representations by the Egyptian to the British Government, the latter accordingly decided to respond by setting up a commission to purchase cotton. On this commission the Egyptian Government was being asked to nominate a representative.

This commission would be prepared before April 30, 1941, to purchase all lint and cotton derived from the 1940 Egyptian crop or as much as was offered to them and all mercantile cotton seed as distinct from sowing seed.

Britain To Bear Cost

The British Government would bear the whole or any net loss which might arise from the transaction as a whole, but they would share equally with the Egyptian Government any net profits which might accrue, on the understanding that such profits as may be returned to the Egyptian Government under this arrangement would be used by that Government for the relief of cultivators in a manner to be agreed on between the two governments.

Asked if the Egyptian Government, as an ally, was co-operating to the fullest extent in this matter, Mr. Butler replied amid cheers: "We take that for granted."

Honour For Indian Poet

SANTINIKETAN, Bengal, Aug. 7 (Reuter).—Sir Rabindranath Tagore, the 80-year-old Indian poet, received the degree of Doctor of Letters (*Honoris Causa*) of Oxford University at a special convocation of Oxford University held here.

This is believed to be the first time that a special convocation was held outside of Oxford.

Sir Maurice Gwyer, the Chief Justice of India, represented Oxford University.

Sir Rabindranath, in Sanskrit, thanked Oxford University "for its precious gift to him and his country."

LOSSES ABOARD TWO TRAWLERS

LONDON, Aug. 7 (Reuter).—It is officially announced that casualties in the trawler Marsons were one officer killed, one officer and ten ratings missing, presumed killed, and six ratings wounded.

Casualties in the trawler Cape Flitster were one Officer wounded, one rating killed and eight ratings wounded.

The loss of both vessels has already been announced.

THE BIGGEST LAUGH HIT OF THIS OR ANY SEASON

TIM'S A BIG HE MAN... HE AINT NO LADY But imagine his embarrassment... HE'S GOING TO HAVE the BABY!



Hal Roach presents
THE BIGGEST LAUGH HIT OF THIS OR ANY SEASON

Turnabout

ADOLPHE MENJOU • CAROLE LANDIS
JOHN HUBBARD • WILLIAM GARGAN
VERNE TESDALE • MARY ASTOR

Turnabout

NEXT CHANCE AT THE KING'S

STRENGTHENING SINEWS OF WAR

→ FROM PAGE ONE

communication, etc., for a considerable time. He will need to draw more and more on his reserves and the more vigorously he prosecutes the war the more rapidly his stores will disappear. He will find it increasingly difficult to replace the losses. Measures have been taken to ensure that Hitler still not draw sustenance from foreign sources. Not only Germany but the controlled territories will be unable to carry on trade on any scale with the outside world.

Extensive Blockade

The blockade operates over a wide area which must become more and more impoverished as the trade arteries are cut. Hitler will continue to seize all food and materials he can from the over-run territory, but once he has despoiled his victims, his supplies will either cease or become less plentiful.

"Hitler boasts that he possesses unlimited quantities of iron. Iron he possesses in great quantities and he probably has no need to fear a shortage of aluminum. But his coal situation is different and his supplies henceforth will be seriously short. He may sit upon mountains of iron ore but as he has not the coal whereby it can be smelted, it will not be of first class military value.

"In a normal year this country exports some 30,000,000 tons of coal to the continent of Europe. None of that henceforth will fall into the hands of Germany.

"As regards oil, of 20,000,000 tons normally consumed throughout Hitler's territories per annum, he can hope to produce or procure not more than one half.

Strain Will Be Great

"These are mere pointers to the situation in which Hitler finds himself economically. If and when the pinch comes as it will sooner or later in 100 different directions, it is more than doubtful whether the subdued people of Germany and other lands will or will not be able to stand the strain. Yet we must not for a single moment underestimate the power arrayed against us.

"The German mind and strength have been devoted to one single purpose—preparation for the strongest and most terrible fighting force the world has ever seen.

"The German economic system has been for some years on a war footing. We must remember that we have not yet felt the full brunt of Hitler's blow.

Cannot Be Starved Out

"We have proved that we are capable of becoming as efficient for war purposes as the dictator, but we are still in the process of the change-over from peace to war economy. We have got to make the best of our resources which must be directed to the national life and effort necessary for a victorious conduct of the war and the maintenance of a national spirit.

We Intend To Win.

"We intend to win this war. The Government do not intend to allow the limit of its prosecution to be anything else than the whole resources of manpower, industrial capacity, finance and foreign assets at our disposal. To achieve the maximum effort, we must plan our economic strategy with the help of the best co-ordination and co-operation of all the agencies concerned."

Mr. Greenwood then detailed the new arrangements made for consideration of a number of economic problems and co-ordination of their economic effort, saying that each main group of problems was dealt with by a sub-committee composed of members of the War Cabinet and the ministers in charge of the departments concerned.

Serious Problem

One of the most important factors in the effectiveness of their economic warfare was to deal with the serious problem of surplus overseas commodities in such a way as to make them an advantage to Britain and a disadvantage to the enemy.

The collapse of France greatly increased the difficulties of production and we will give complete priority to those essential weapons of war which will provide maximum resistance to the enemy in the shortest space of time. There is need to keep in our minds the possibility of a long war.

"Priority has not worked as well as it should, but having had to make this great effort for immediate war purposes, we are now considering further measures to ensure as far as possible that materials, plants and labour are effectively used to carry out the production programme."

Industrial Capacity

Mr. Greenwood then went into detail with the industrial capacity and organisation and said that the solution had also been made against the destruction of factories from the air with plans for rebuilding and for moving of reserve plants.

He recalled his statement on July 11 in the House of Commons regarding new organisation to deal with purchases in North America through the Canadian and United States channels following dissolution of the Anglo-French organisation.

The new organisation had been actively at work for some weeks. The United States Government was now engaged in a flight of national rearmament and mobilising American industry for that purpose.

While, therefore, but a few months ago Britain was placing orders with American industry to supplement the deficiencies in the combined Anglo-American production, they had now the need to embark on a much more extensive programme which must be related to the American national defence preparations.

Therefore the House would readily understand the complexity of the question involved in the task of the British Purchasing Commission in New York.

"At the same time we need both in New York and London to co-

865 JAPANESE IN ENGLAND

LONDON, Aug. 7 (Reuter).—The number of Japanese registered with the Police in England is 865, of whom 762 are males, stated Capt. O. Peake, Under-Secretary of the Home Office, in a written reply to Lieut. Col. Sir T. Moore (Conservative) in the House of Commons to-day.

ordinate our requirements with those of India, the Dominions and our allies, who must look to us for supplies.

"The United States and Canada have been our two most important potential providers of war material."

Safeguarding Consumption

Continuing, Mr. Greenwood said it was necessary for efficient conduct of the war that the consumption of the people should be safeguarded and unnecessary hardship avoided.

"The rise in the cost of living is less than the rise in prices generally. Our object is that prices of necessities should be kept down and we are spending considerable sums to do that.

"The policy of anchoring prices of essential commodities will be continued. We believe by these means that we shall ensure the unperturbed health of the nation.

Not Too Rosy

"We have taken steps to increase exports and we will do everything we can properly do in that direction. But in the present circumstances, it is clear that the possibilities of increased exports are not too rosy.

"It is important that we should use foreign exchange as far as we can for the purchases of aeroplanes, munitions etc., abroad.

"At the same time, we need to retain a proportion of skilled labour in the production of commodities for export in order that our supplies of foreign exchange may be maintained.

"We must limit imports to things essential to the consumption and productive service. At the moment our shipping position is not too bad. The empire has not been very seriously impaired, but we are bound to recognise that our ports and our shipping will be among the main objectives of the enemy's attacks.

"It is prudent, therefore, that our country make as much as we can of those foodstuffs and materials as can be readily stored to build up our stocks against the day when our capacity to import may not be so great.

"We have proved that we are capable of becoming as efficient for war purposes as the dictator, but we are still in the process of the change-over from peace to war economy. We have got to make the best of our resources which must be directed to the national life and effort necessary for a victorious conduct of the war and the maintenance of a national spirit.

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Absorption Of Alsace

Hitler Appoints An Administration

LONDON, Aug. 7 (Reuter).—Indications of Hitler's plans with regard to the absorption of Alsace-Lorraine and Luxembourg into the Reich are contained in two decrees issued by him to-day whereby the entire administration of Alsace-Lorraine and Luxembourg will, in future, be no longer independent on the Army authorities, but will be conducted by civil administrative chiefs acting immediately under Hitler.

Joseph Buerckel, Robert Wagner and Gustav Simon are appointed Gauleiters for Lorraine, Alsace and Luxembourg respectively.

Baldur von Schirach, the Hitler Youth leader, becomes Gauleiter in Vienna in place of Buerckel.

Destry Of America

Might Peacefully Inherit British Territories

Mexico City, Aug. 7. M. Leon Trotsky, interviewed to-day, expressed the opinion that the United States might well become the "legitimate inheritor" of Canada, Australia, New Zealand, and part of Latin-America without firing a shot, but warned the United States that she faces an inevitable war later on with Germany and Japan.

He received the Press at the Villa Coyocan, which has been transformed into a fortress since the recent assault.

He said the United States would emerge the most imperialist nation in world history as a result of the recent war, which was prompting the United States to unprecedented armament. A strong England might not work to the best interests of the United States. The job of making England smaller was left in the hands of Germany.—United Press.

Wins Bar To His D.F.M.

LONDON, Aug. 7 (Reuter).—Among R.A.F. awards announced to-day is a bar to the Distinguished Flying Medal to Flight Sergeant William Henry Franklin, formerly laboratory assistant in Eastern London.

Flight Sergeant Franklin has shot down ten enemy aircraft and has run into a ditch a few miles from here to-day.

On one occasion he encountered seven fighters. He engaged five of them and destroyed one.

REPATRIATION OF BRITONS

LONDON, Aug. 7 (Reuter).—A Swedish steamer has arrived at a Scottish port from Petsamo, Finland, with 125 Britons, who had been interned in Sweden after being cut off between Tromsø and Narvik when the British Army was evacuated.

They are mostly troops, with a few airmen and seamen.

A further 111 are to be repatriated.

FRENCH COLONY LAYS DOWN ARMS

LONDON, Aug. 7 (UPI).—It is officially reported that armistice terms are under discussion regarding the fate of French Somaliland.

No details are given.

The report adds: "The effect of the collapse of French Somaliland resistance is that the French offensive from Somaliland into Ethiopia is now definitely abandoned."

Meanwhile, it is officially announced in Canberra, the Australian capital, that the Council of New Caledonia passed a resolution on June 24, affirming their intention of co-operating with Great Britain.

STOCK MARKET REPORT

Hongkong Stock Exchange official summary, issued at 12.30 p.m. yesterday says: "The morning market was synonymous with the recurring decimal, it was quiet."

Buyers \$10.25
Sellers \$10.25
Cements \$14.50
Lands \$22
Cereals \$15
Providents \$3.00
Hotels \$2.10
Trams \$15.50

MINE-SWEEPER IS SUNK

LONDON, Aug. 7 (Reuter).—The Admiralty announces that the mine-sweeping trawler River Clyde was sunk by an enemy mine. The next-of-kin of the casualties have been informed.

THE WAR FUND

A total of \$1,301,214.35 was reached yesterday by the War Fund inaugurated by the S. C. M. Post Ltd.

Latest subscription ... 2

Mrs. A. H. de Horn, Macau ... 2

NAIROBI, Aug. 7 (Reuter).—The second official casualty list of East Africa Force contains 17 names, all Africans, except two British sergeants dead.

Hungary And Rumania Start Talks

ADJUSTING RELATIONS IN THE BALKANS

LONDON, Aug. 7 (Reuter).—According to a Budapest despatch to the official German news agency, M. Bossy, the Rumanian Ambassador in Rome, has been sent to Hungary as special envoy to begin preliminary talks with the Hungarian Government.

Mr. Shinwell declared that according to a reliable estimate Germany has 700,000 men and women training for industry, while we had 28,000 trainees and we envisaged 40,000 being trained this year.

Mr. Shinwell proceeded to talk about unemployment and underemployment in Britain, and suggested that instead of allowing miners to remain

Bradman's First 100

Don Bradman hit the first of his many Test centuries in this country at Nottingham, but, in spite of that, England won this first match of the series by 93 runs.

Wanting 420 to win, Australia had 229 for 3 on the board and Bradman and McCabe well set. The game swing round when Copley, an unknown boy fielding substitute for Larwood, made a wonderful catch to dismiss McCabe. Tate bowled 50 overs (20 maidens) for 69 runs and 3 wickets.

BACK-STROKE RECORDS FOR ADOLPH KIEFER**New Marks Added To Series of Triumphs**

SANTA BARBARA, Calif., July 6.—Adolph Kiefer of Chicago rewrote the record book for back-stroke swimming to-day.

Performing for the Towers Club of Chicago, the big lad was credited with breaking almost every back-stroke mark in the book in sensational burst of speed that capped another brilliant exhibition in the men's national A. A. U. outdoor swimming and diving championships.

Kiefer captured the 110-yard back-stroke race as expected, and here's what he did:

His time for 110 yards was 1 minute 5.5 seconds. His time for 100 yards was 58.1 seconds. His time for 100 meters was 1.04.7.

FORMER RECORDS

A SEARCH of the A. A. U. records disclosed.

Kiefer established the old 110-yard record—a new distance in A. A. U. competition. His time was 1.05.6. Kiefer held the former 100-yard record of 58.8 seconds, set in Columbus, Ohio, in 1939. He held the 100-meter record of 1.04.8, set in Detroit in 1939.

All these records were hung up in a short or 25-yard pool, which gives a faster edge because a swimmer can come off the walls and gain time. The race was over a long or 55-yard route.

The long course record was set by Kiefer at Coral Gables, Fla., in 1935. It was 1.05.9 for 100 meters.

NEW RECORDS

THUS Kiefer, long the world's greatest back-stroke swimmer, hung up new records for Kiefer to break.

The 200-pound artist was not the only record-breaker. The four-man team of the Island of Maui, Hawaii, won the 880-yard free-style relay in 9.17.3. Three years ago the Lake Shore Athletic Club team set the old American record at 9.20.

The quartet, boasting two brothers, newly-crowned as A.A.U. champions, moved the Hawaiians nearer the hope for team championship.

SUCCESSFUL COME-BACK

KIYOSHI NAKAMA of Maui's Alexander Community House, dethroned two days ago as the 220-yard champion, came back and took

**THE DERBY AND THE OAKS****Godiva's Great Win In The Oaks**

LONDON, June.—"My greatest regret is that Godiva did not run for the Derby. She must have won. She is the finest racer I have ever seen." That is how trainer William Narval summed up Mr. Harmsworth's filly after Godiva had won a great victory in the New Oaks at Newmarket.

He did no more than bare justice to Godiva, who in the opinion of many put up the best Oaks performance for more than a quarter of a century.

Clocking a mile and a half race at Newmarket is impossible, but all who tried agreed that Godiva put up good time. To do that she overcame the disadvantages of losing a length or two at the gate, and yet beat all the best fillies in the hind pointless.

Douglas Maris took her to the front half a mile from home, and though challenged by Golden Penny and Silver Luce II she never appeared in danger of defeat.

She beat Silverlace II by three lengths and Golden Penny conceded third place to Valeraine.

So good does Godiva now appear that even Djebel would have to do all he knows to beat her.—Our Own Correspondent.

SCRAPPY WATER POLO

European Y.M.C.A. yesterday beat South China Athletic Association by five goals to two in a very scrappy water-polo match in the "Y" pool. Poor passing by the visitors, who had a man unmarked and on his own on three occasions in the deep end cost them three certain goals. Y.M.C.A. were little better and while defending the deep end marked very poorly. G. H. Fowler, E. W. Ralton, G. T. May, R. A. Dodd and L. H. Chater scored for the home team, while Henry de Sa and Lionel Le replied for South China.

South China will meet H.M.S. Thracian at 8 p.m. to-morrow in the European Y.M.C.A. pool, while S.Y.M.C.A. team will meet a Service team.

the 440-yard free-style in 4.50.4. He was an easy winner over Paul Herron of Los Angeles and the third-place finisher, Henry Parls of San Francisco, Ralph Flanagan won the title in 1939 but did not compete this year.

Defending Champion Jim Skinner of Detroit, University of Michigan star, had little trouble retaining his 220-yard breast-stroke championship, but failed to break a record. He was timed at 2.48.8.

The big clubs have suffered more than the smaller ones this season. They have much larger overhead expenses and while their aggregate attendance for the season show a great decline the smaller clubs received the same, if not more, support.

It is likely, however, that the big clubs will carry on next season because they believe there will be a demand for sport on behalf of the war workers who must have some relaxation, also for the increased number of soldiers now in this country.

NO PROFITS

SO far not one of the balance sheets published by the leading clubs shows a profit. Here is a list of the clubs and the losses sustained by them:

Unwanted Horse Wins Blue Ribband

LONDON, June.—The Derby of 1940 will go down to history as the race which was won by the unwanted horse. It is doubtful whether the true story will ever be written.

Before Fred Darling paid £500 for Pont l'Eveque he had been offered to several other people. I fancy the first person to whom the horse was offered was Matthew Peacock, the Yorkshire trainer, and the price was £350.

That was before the colt ran second to Liberated at Newmarket. Subsequently the price went up to £500, and a woman owner told me she turned down the offer. Mr. H. E. Morris could not have had a very high opinion of Pont l'Eveque when he was a yearling, as he was not nominated for any of the classic races.

Nor was Lighthouse II, in any of our classic races, yet on merit they were probably the two best colts in the Derby field.

PROVED STOUTER

As regards the race itself, Pont l'Eveque proved stouter than Turk and Lighthouse II. I would only say that if Pont l'Eveque had not been an outstanding performer he was ridden to be beaten. First or second all the way, he was being put to his best pace half a mile from the finish.

Once Lighthouse II almost got on terms, but in spite of the fact that he had been on the stretch for a considerable time, it was Pont l'Eveque who found the extra bit which made all the difference. That is the test of the true stayer, and as such we accept the Derby winner.

INDIANA R.C.

1st team v. Recreio ("away")—

D. M. Khan, K. M. Rumjahn, A. M. Rumjahn and M. R. Buttell, A. R. Minu and A. K. Minu,

A. H. Rumjahn, S. Yusuf, M. V. Adal and A. R. Dallal,

3rd team v. Recreio F.C. ("home")—

A. S. Sufiand, M. Hassan, A. H. Madar and A. M. Wahab,

J. M. A. Hassan, M. P. Madar, A. G. Sufiand and A. B. Bakhri,

M. H. Hassan, S. A. R. Bux, U. A. Rumjahn and S. M. Rumjahn.

Remember Larwood?

HAROLD LARWOOD, who took part in the 20-over-per-innings match at Nottingham, bowled three overs for 15 runs without taking a wicket.

Reports say that the one-time England fast bowler found difficulty in getting a foothold and one fears that Larwood will always be feeling the acute physical effect of his last "memorable" tour to Australia in 1932-3.

July 28/51.

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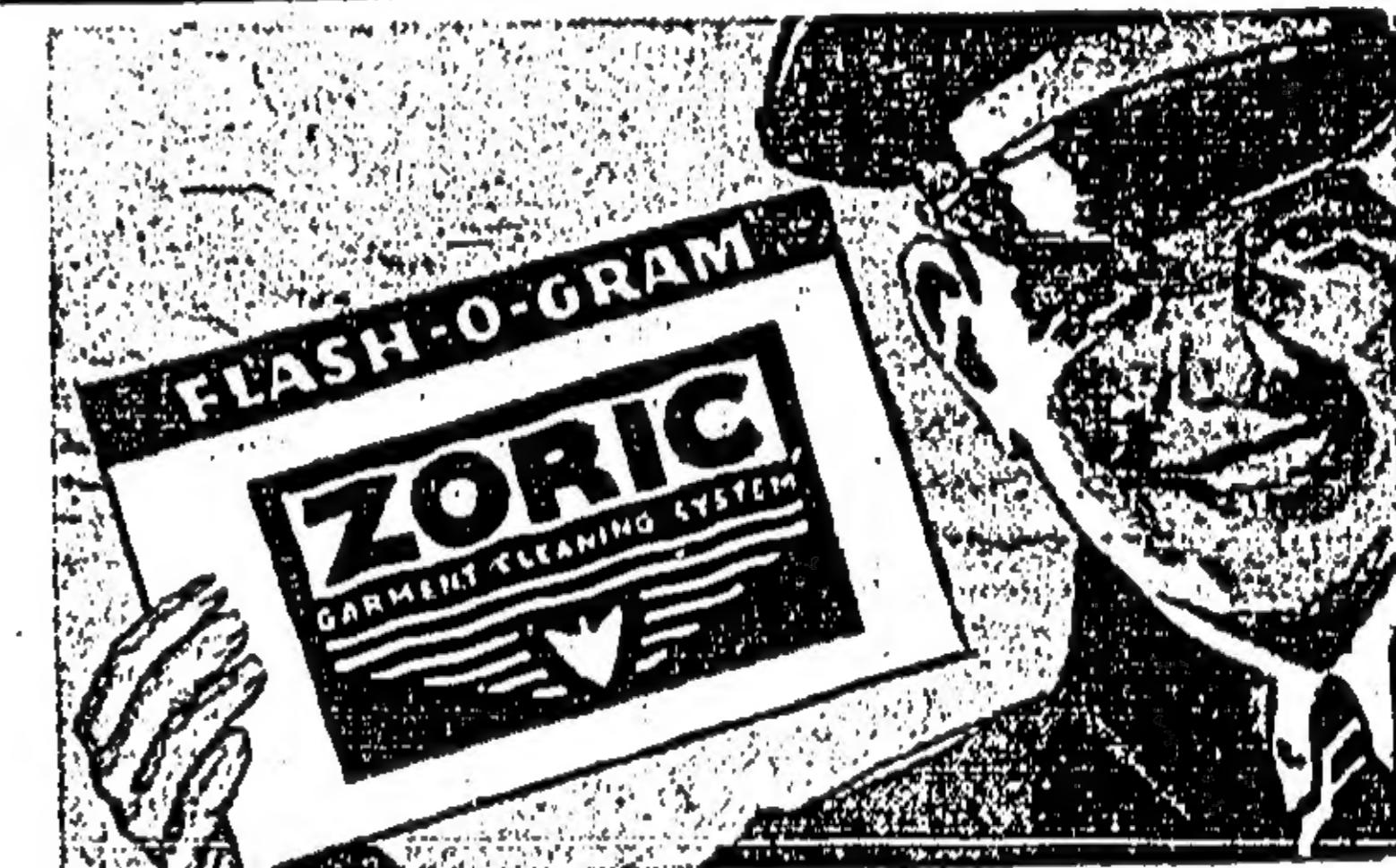
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(Star of "The Gadfly")
VALERIE HOBSON
Screen play by Ian Dalrymple
Directed by TIM WHELAN



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A Columbia Picture

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Horlicks is a complete balanced food, containing all the elements needed for filling out the wasted body with healthy flesh and repairing tattered nerves.

Thousands of people owe their quick recovery to the abundant vitality and energy that Horlicks has poured into their veins. Get Horlicks from your store to-day. Always keep a supply in the house.

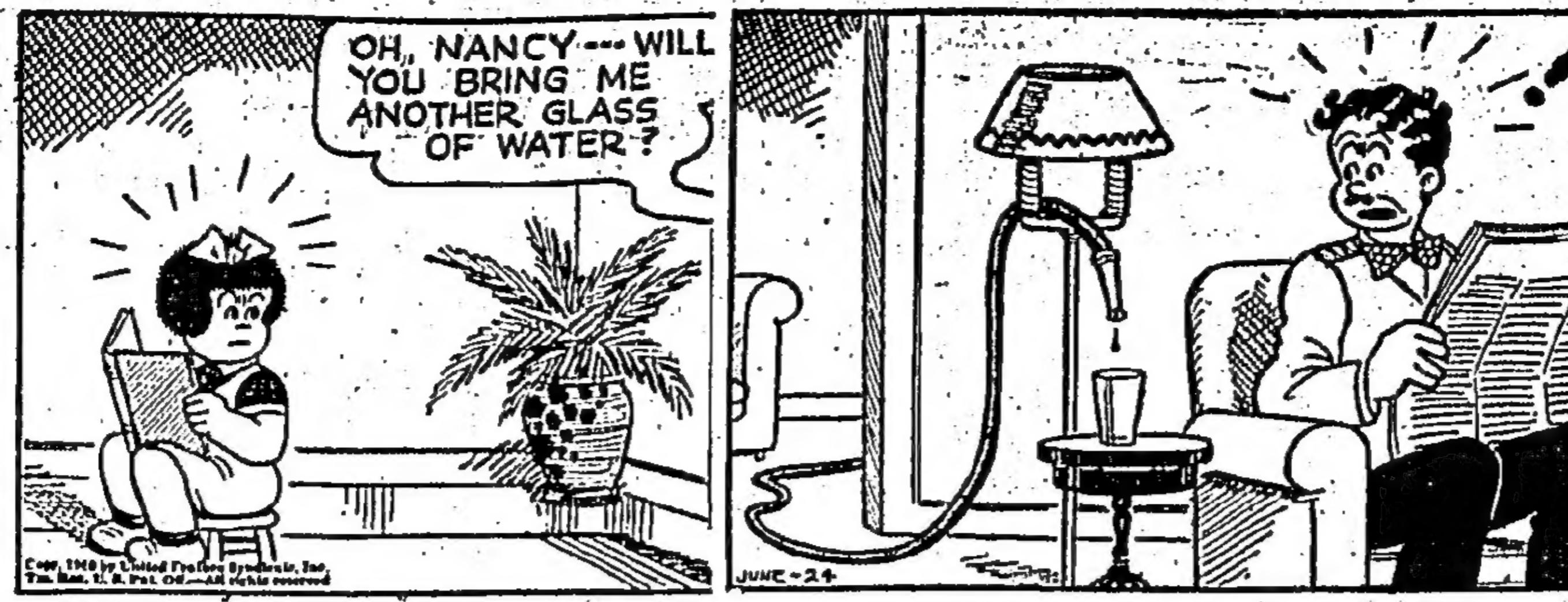
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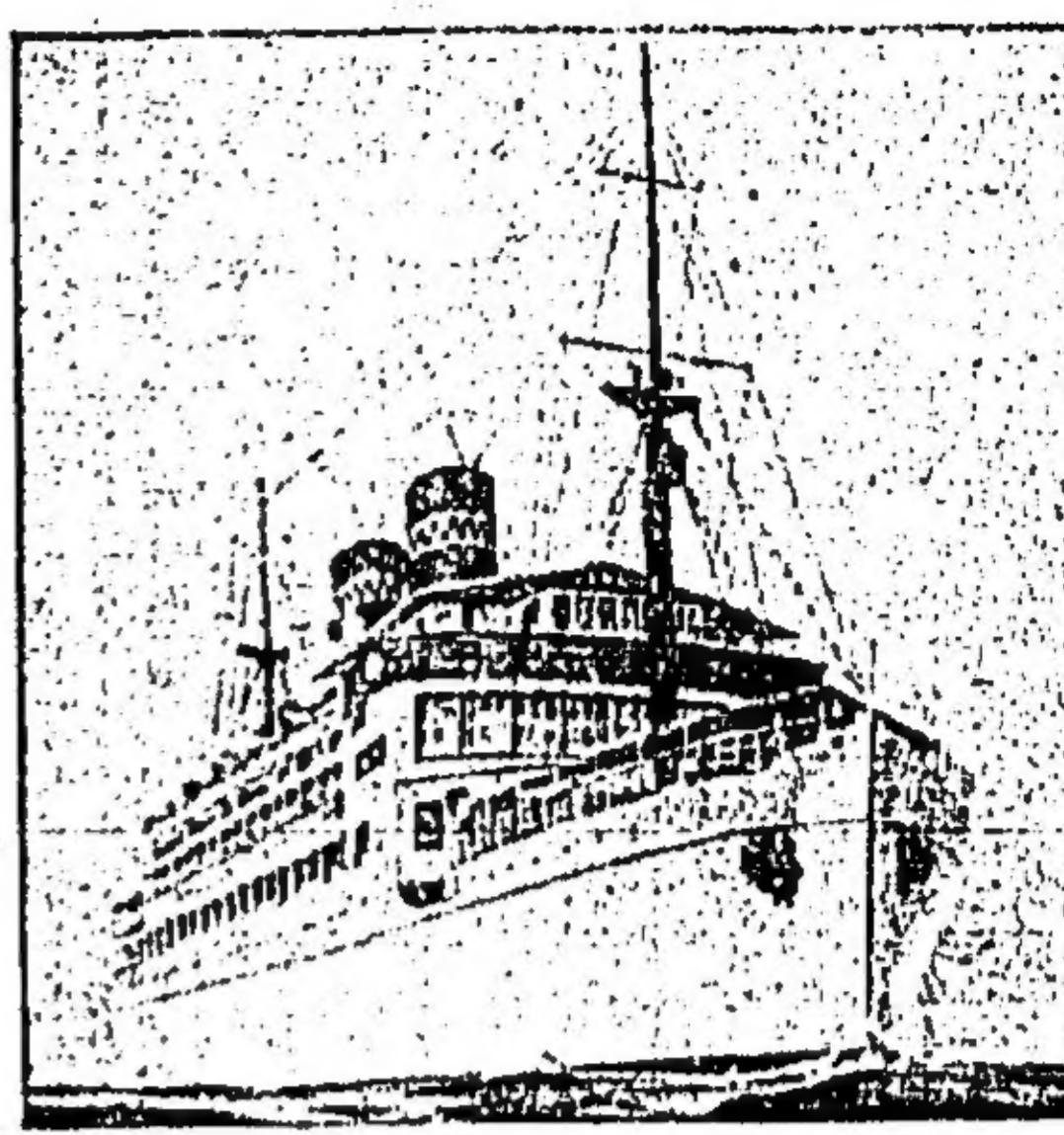


By Ernie Bushmiller

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"Of course I haven't."
"Then no doubt you are interested in some commercial form of refrigeration — chilled beef, for instance?"
"Nothing to do with it."
"In that case, Sir, you will have no objection to closing that window. It is exceedingly cold, and the draught is scrofulous."
"I beg your pardon, Sir. I'm terribly sorry. Fact is, I've a most appalling headache, and the cool air does it good. I attended a most enjoyable party last night, and I'm feeling much the worse for it."
"My dear fellow, why didn't you say so at first? Trouble is, it's so long since I've had a hangover myself. I've almost forgotten the symptoms. Was there no Rose's Lime Juice in your corner of the Shires?"
"Afraid I don't follow you."
"Rose's Lime Juice, I said. Cancels hangovers in advance. You either mix it with gin, or swallow a stiff glass solo before bed. Why, man, it's smoothed the paths of thousands."
"You're telling me that Rose's fills this longfellow's pants?"
"I've never known it fail."
"Then, Sir, I am deeply indebted to you. Here is my card. I trust that we shall see more of each other. Much more. Are you by any chance free to dine tonight? Wonderful how these chance encounters change the course of one's whole life."

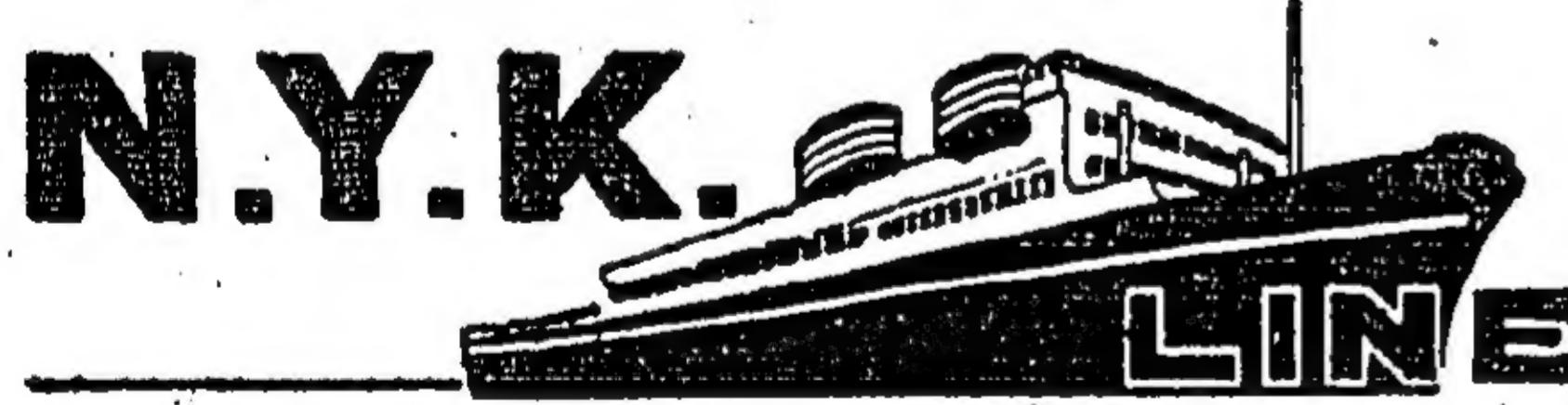
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Calais defender is now Prisoner

The man who carried out the order "Hold Calais to the end" with 3,000 British soldiers and 1,000 Frenchmen, refused to surrender, and for four days kept back powerful German forces, making possible the evacuation of the B.E.F. from Dunkirk is Brig. Claude Nicholson.

He is now a prisoner of war in Germany, and a letter from him has reached his wife. They have two children.

It will be recalled that Brig. Nicholson told the Germans that the British did not surrender, and they fought until their ammunition and food were exhausted. Mr. Churchill stated in the House of Commons that only 30 survivors were brought off by the Navy.

Brig. Nicholson, who formerly commanded the 16th/5th Lancers, was at the outbreak of the war on the staff of the Director of Military Training at the War Office. He was then promoted to Brigadier and placed in command of a brigade composed of the King's Royal Rifle Brigade and the Queen Victoria's Rifles, a London Territorial battalion.

Gen. Sir Hubert Gough, a close friend, described Brig. Nicholson as "the most brilliant officer of his standing in the British Army" and the "most able and clear-headed soldier of his age that I know."

Bachelor duke killed in action

HENRY GEORGE ALAN PERCY, ninth Duke of Northumberland, twelfth baronet, and twenty-seven-year-old millionaire bachelor, has been killed on the battlefield of Flanders.

He was an officer in the Grenadier Guards—the regiment in which his father fought during the war of 1914-18.

The people on his estate at Alnwick, Northumberland, were told when they came out of church after the morning service.

They were told by the duke's blue and gold flag flying at half-mast on the Keep of Alnwick Castle.

Later flags flew at the tower of Alnwick Parish Church and on Northumberland Hall in the centre of the town.

When the duke's father died ten years ago his estate was valued at £2,500,000. There were heavy death duties to be paid.

In 1936 the duke formed, and became permanent governing director of, the Alnwick Estates Company, which was registered with a nominal capital of £2,000,000 in £1 shares.

Last year he gave up the 200-roomed Alnwick Castle to move to a 20-roomed house on the estate.

His mother lives at family seat in Surrey, Albury Park, Guildford, and he is succeeded by his brother, Lord Hugh Algernon Percy, who is twenty-six, and an officer in the Northumberland Hussars.

Death duties are not payable on estates of men killed on active service—if the estate does not exceed £5,000.

Chinese Massacred

Many Civilians Flee From Tsungming Island

Shanghai, Aug. 7. Many refugees from Tsungming Island, north-east of Shanghai, are arriving here daily to tell stories of wholesale destruction of houses by fire and the massacre of civilians by the Japanese military as retaliation for attacks made by guerrillas.

The refugees say that hundreds of civilians were ruthlessly slaughtered and many were burned to death in their houses.

They alleged that in one instance the Japanese summoned over one hundred male civilians to a temple, saying that a speech was to be delivered by the Commander. When the audience gathered, however, they were mowed down by machine-guns. Those not killed by bullets were bayoneted to death.—Reuter.

A.R.P. Post Burns

A.R.P. workers had a "full dress" rehearsal when they fought a blaze which badly damaged the Town Hall at Millingaville, near Glasgow.

The building had been used as an A.R.P. first-aid post, and was equipped with an operating theatre and decontamination centre.

The staff evacuated the building, but went back and removed the operating theatre equipment, instruments and valuable drugs.

The fire brigade was aided by A.F.S. men, and demolition squads pulled down the 50ft. high gable wall which was swaying in the wind.

Unrest In Finland

Russian Press Exploits Persecution Stories

Moscow, Aug. 7. The Press continues to feature Helsinki's despatches claiming that there is growing unrest among Finnish workers and denounces police persecution, which is reported to have resulted in the death of a member of the Society for Friendship with the Soviet Union.

Tass News Agency declares—"The police, organised by the Ministry of Home Affairs have provoked indignation among the workers, who have retaliated by strengthening the Society for Friendship with the Soviet Union, whose membership has been increased in the past two days to 15,000."—United Press.

Soviet Fleet Exercises

London, Aug. 7. The Moscow Radio announced today that the Soviet fleet had begun manoeuvres in the Pacific. Submarines, light and medium naval planes, and aircraft were taking part. —Reuter Bulletin.

Village has Fallen in the Sea

WORKING on a cliff side at Aldbrough, Yorkshire, Mr. Jack Speight, owner of thousands of tons of land which crashed into the sea, is trying to salvage a few bricks.

That is all he is likely to save from his farmhouse, now little more than a heap of debris overhanging the cliff.

Closed to him another huge slice of land, formerly the farmyard, forms an island with the sea at one side and a chasm at the other. It may crash into the sea at any moment.

"I have seen all my land go in huge pieces like that," Mr. Speight said recently. "On Monday I had a look round and saw a great fissure in the land. The next day I found the land blocking the beach.

"Another fissure further inland warned me that more of my land is going into the sea soon.

"In a few weeks all that is left

of this big house will be in the sea.

Refrosting 100 Years

"If I can recover a few bricks and sell them second-hand I shall get a few shillings back, but that is the best I can do."

Mr. Speight is the owner of land near his wrecked farm on which wooden shops and cafes were built years ago. Now they are only four or five strides from the cliff edge. They will have to be removed quickly.

"Davy Jones takes everything we have here," said Mr. Speight. "He has taken our land, our farms and our homes."

"He even took our village pub, the old Royal Hotel."

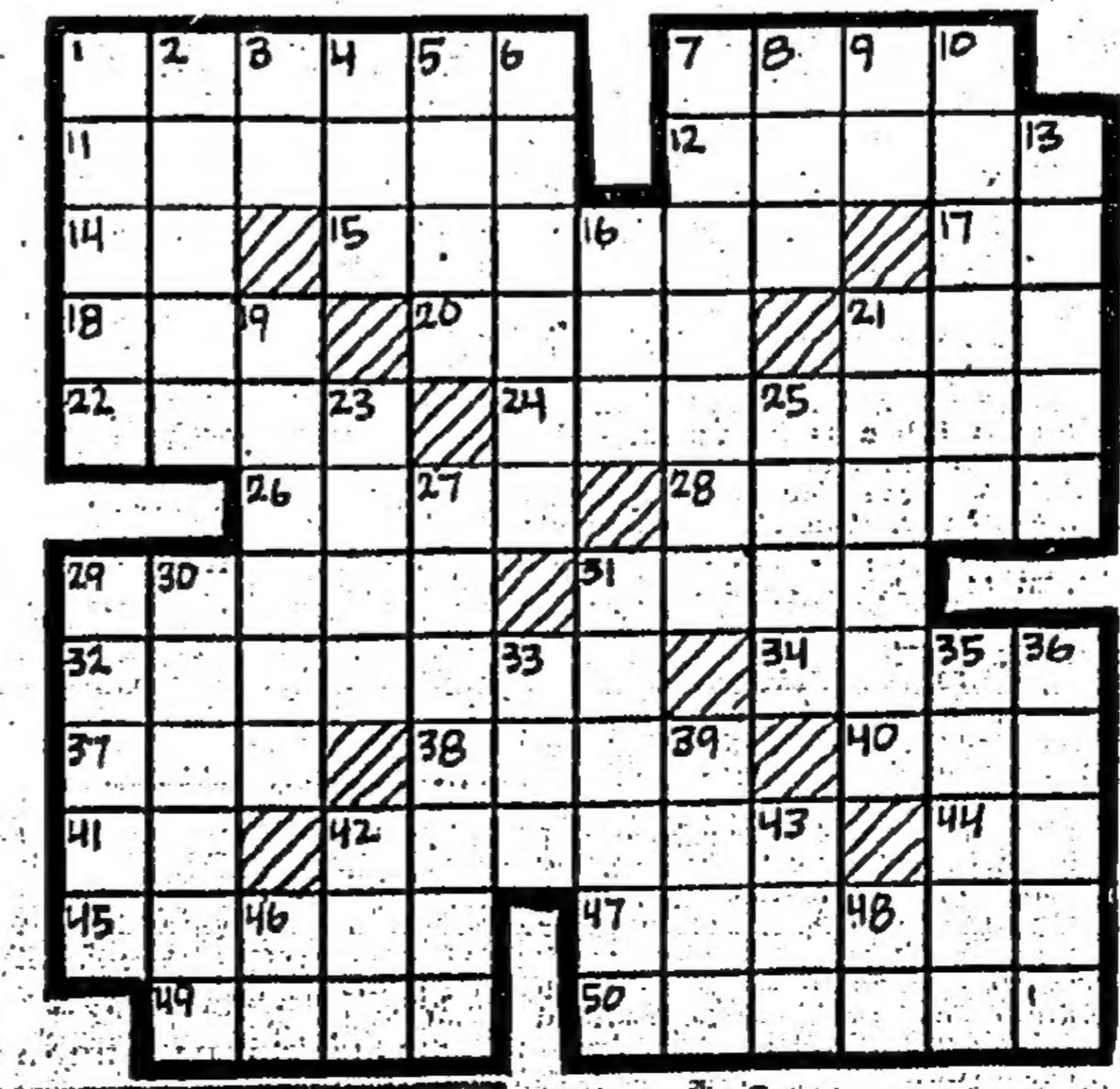
Old Charley Elvson—he is nearly 100—had been retreating before the advancing sea all his life.

Pointing out to sea he shows visitors where wagons used to be parked, and horses grazed when they brought visitors to Aldbrough before the days of cars.

Crossword Puzzle

By LARS MORRIS

ACROSS	ANSWER TO PREVIOUS PUZZLE
1—Permitted to live	2—Parts for window
2—Couple	3—English letter
3—Procurement	4—Piece of cloth
4—Competition	5—Fertilization
5—Preach; not	6—Lower
6—Hanging	7—Tropical
7—Seventeenth letter	8—Smoky island
8—Last letter of Hebrew alphabet	9—Isle of Britain
9—Oriental weight	10—Have
10—Fifteenth letter	11—Award
11—Fifteenth letter	12—Looks at amorously
12—Fifteenth letter	13—Polish general of
13—Fifteenth letter	14—Fifteenth letter
14—Fifteenth letter	15—Europeans
15—Fifteenth letter	16—Prolonged cry
16—Moisture on eyes	17—Recess
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27—Fifteenth letter	28—Fifteenth letter
28—Fifteenth letter	29—Fifteenth letter
29—Fifteenth letter	30—Fifteenth letter
30—Fifteenth letter	31—Loving animals
31—Fifteenth letter	32—Basis of decimal system
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38—Fifteenth letter	39—Fifteenth letter
39—Fifteenth letter	40—Fifteenth letter
40—Fifteenth letter	41—Fifteenth letter
41—Fifteenth letter	42—Fifteenth letter
42—Fifteenth letter	43—King (French)
43—Fifteenth letter	44—Radium
44—Fifteenth letter	45—Withily
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Alleged Japanese Demands on French Indo-China SITUATION QUIET BUT "BALLOON MAY GO UP"

THE SITUATION IN FRENCH INDO CHINA REMAINED QUIET THIS MORNING, ACCORDING TO AUTHORITATIVE SOURCES.

Chinese sources declare that negotiations are in progress between the Japanese authorities and Rear Admiral Decoux regarding the Japanese demands which are stated to be as follows:

- 1.—Establishment of Japanese naval bases at Kwangchowwan, Haiphong and Camn-Rahn Bay;
- 2.—Establishment of Japanese military bases at Haiphong and in the interior;
- 3.—French section of the Haiphong-Kunming Railway to be made available to Japan for transportation of men and materials;
- 4.—Establishment of Japanese aerial bases on French territory;
- 5.—Closer economic collaboration between Indo China and Japan.

WARSHIPS CONCENTRATE

There is no confirmation from other sources of these so-called demands. Although the situation in Indo China is at the moment quiet, authoritative sources expect "the balloon to go up at any moment."

It is reported that, in addition to a concentration of some twenty or thirty warships in the vicinity of Tongking Bay, Japan has approximately 30,000 troops along the Indo China-Kwangsi frontier.

The French authorities have dynamited all railway and highway bridges along the Kwangsi and Yunnan frontiers.

The "Telegraph" learns that, in addition to 18 Japanese transports sighted earlier this week heading southwards, presumably towards Indo China, eleven transports were later sighted by a ship en route from Shanghai to Hongkong, heading in the same direction.

American naval sources in Manila confirm increased movements of Japanese warships southwards from Formosa.

Chinese sources reported last night that Generalissimo Chiang Kai-shek has concentrated some twenty divisions of troops under General Li Chung-jen on the Yunnan-Indo China frontier.

It will be recalled that the Chinese Foreign Minister, Mr. Wang Chun-hui, last week warned the French authorities that China would be forced to adopt "certain measures" in the event of enemy troops being permitted to land in Indo China.

Demobilisation Ceases

Demobilisation of French and colonial troops in Indo China has ceased on instructions from the new Governor-General, Admiral Decoux, who is concurrently Commander-in-Chief of the French Asiatic Squadron.

Although the French army and naval forces in the Far East are not considerable, France is believed to possess a goodly number of submarines, which are stated to be based at Camn-Rahn Bay. In the event of hostilities, the Japanese Navy would thus meet submarines for the first time in Japan's naval history.

It appeared this morning that shipping between Hongkong and French Indo China, which temporarily ceased last week because of the Japanese refusal to permit British ships to load or unload, has returned to normal. British ships are stated to normal.

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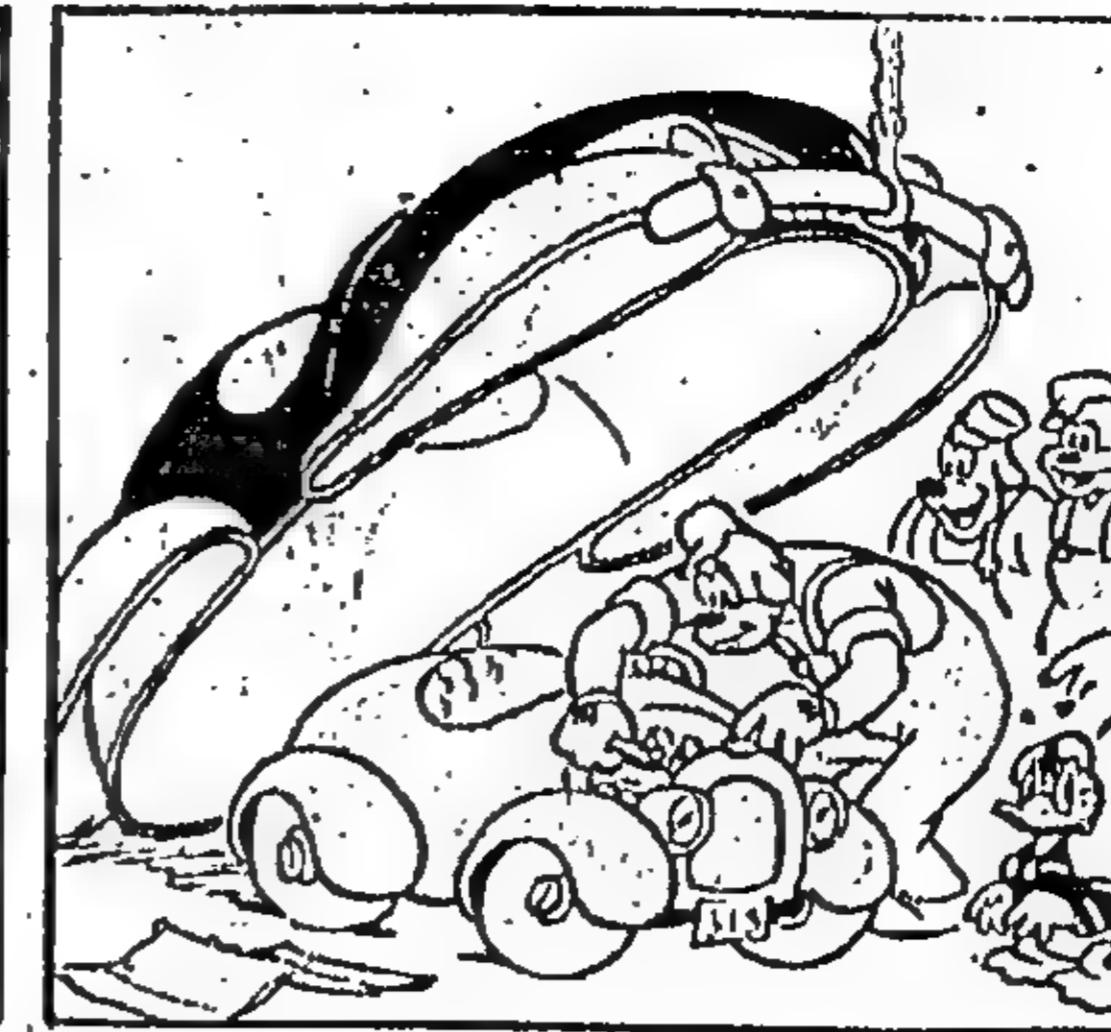
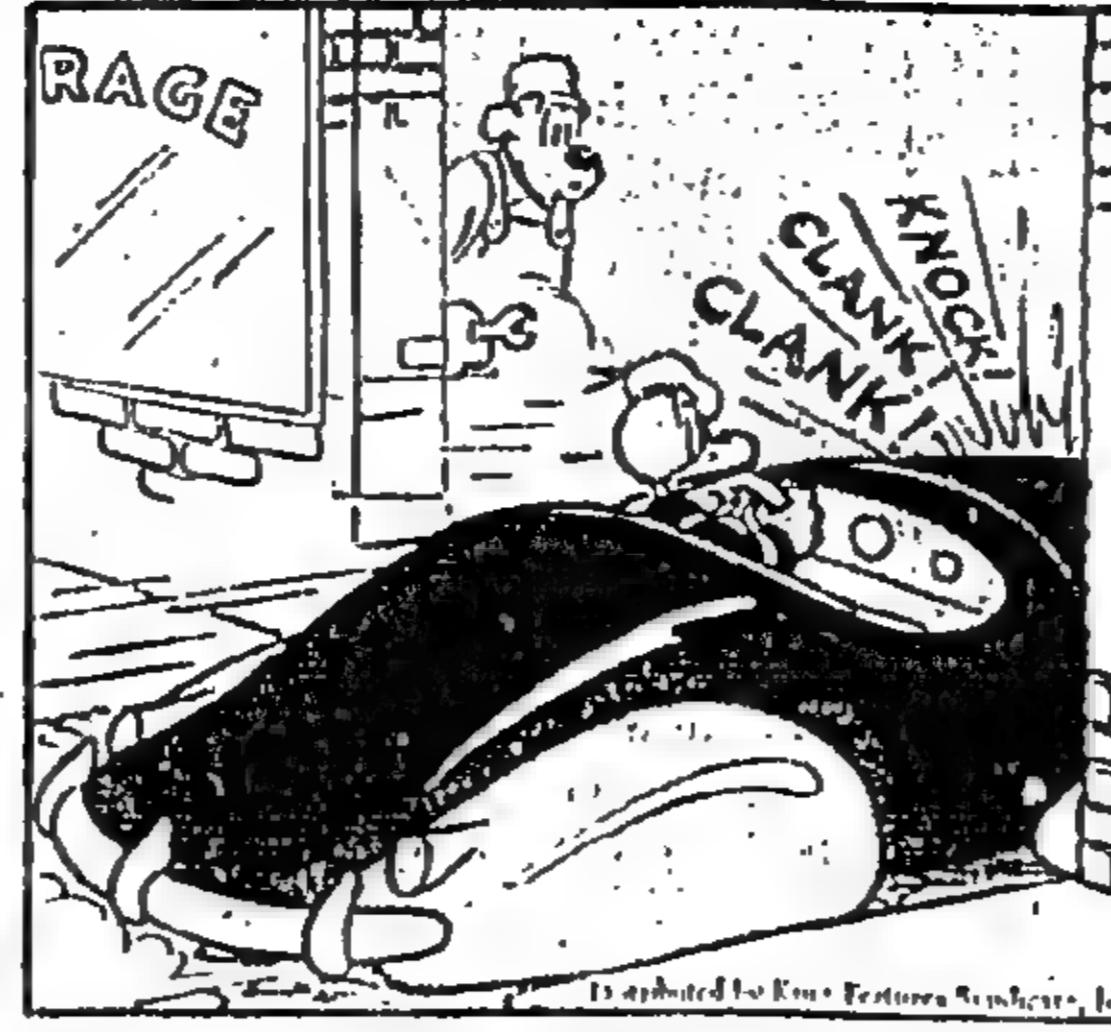
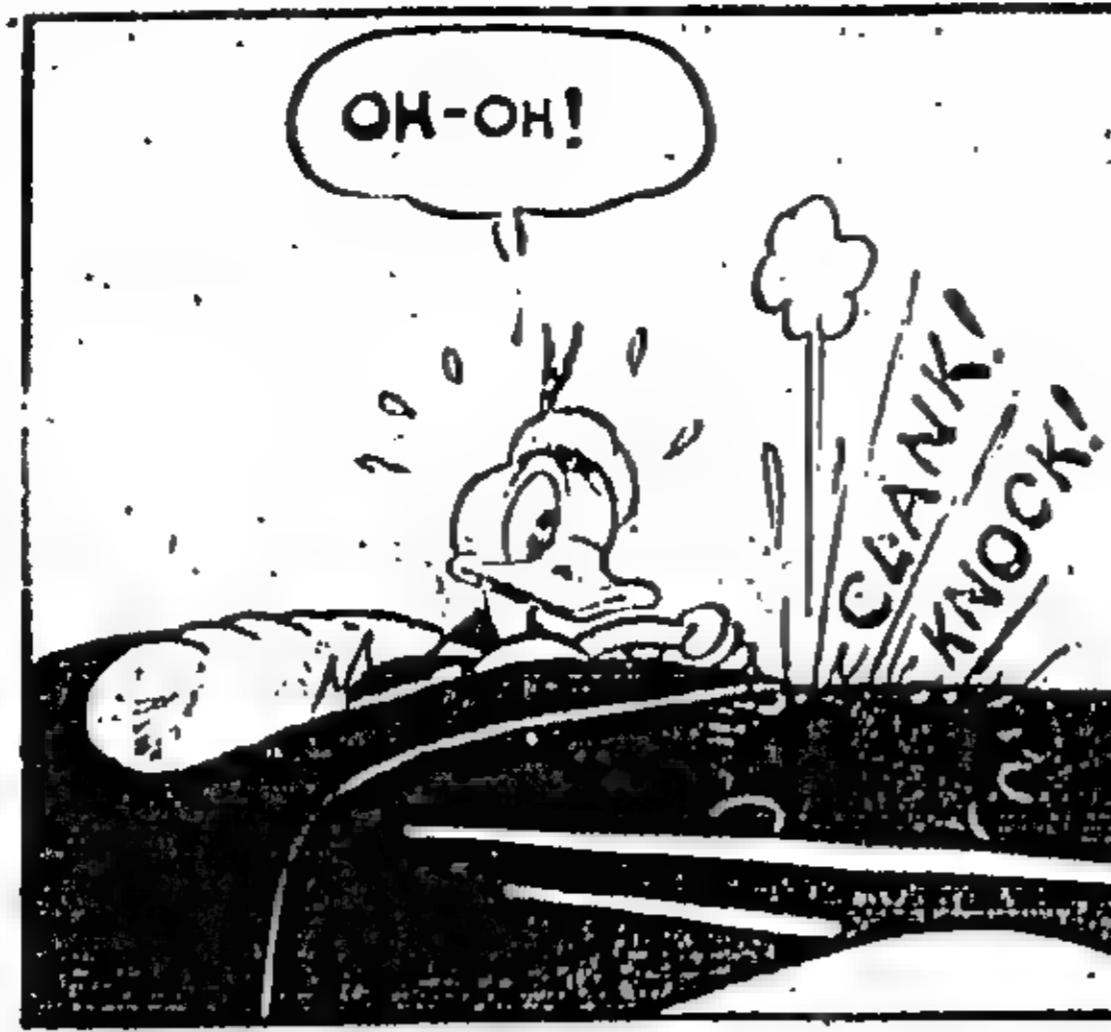
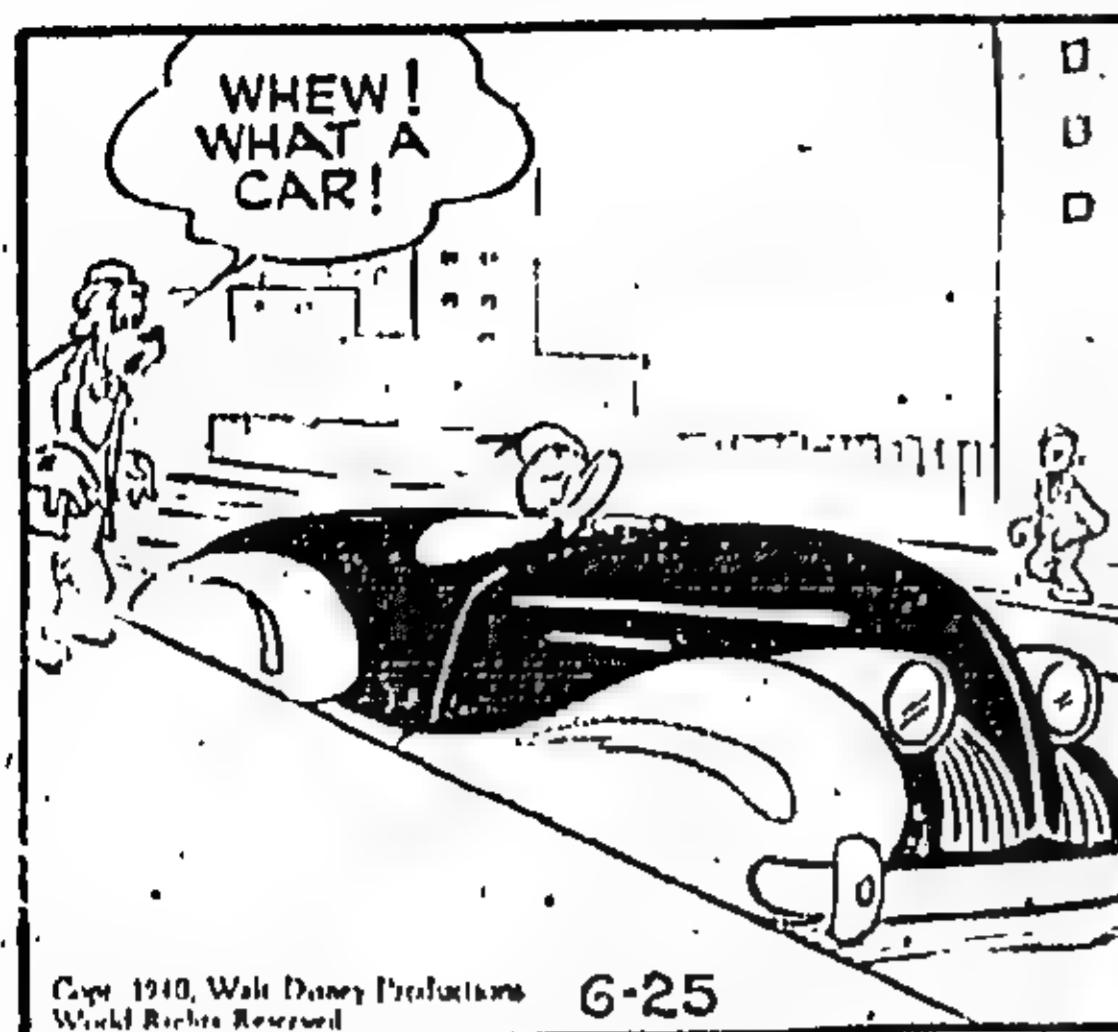
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DONALD DUCK



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MAGAZINE PAGE

MEDITERRANEAN
WAR MAP

THIS map shows the area of Europe and Africa affected by the entry of Italy into the war on Germany's side.

Italy has, as the map shows, many possible directions for her initial attacks, but whatever she undertakes will obviously fall into the pattern of German strategy.

Recent Italian claims have demanded Gibraltar, Malta, Sicily and Palestine from the British. These may forecast attacks by air and sea. Sicily and Palestine are within range of the strong Italian bases in the Dodecanese Islands.

Malta has the fortified Italian base of Pantelleria Island as close neighbour. Gibraltar would only be in

ports would at the same time offer bases from which to interfere with sea communications—especially with Turkey.

Italian action from her African possessions of Libya, Eritrea and Abyssinia would from the start be handicapped by the impossibility of maintaining supplies by sea; for in any Mediterranean operations the Italians must reckon with British naval superiority.

One thing is clear; Italy, in entering this war with Germany will be the one certain loser. A German victory will leave Italy as much in a state of vassaldom to Hitler as it would Britain and France, and from an Allied victory Italy could expect scant mercy.

Other land operations Italy might undertake in Europe could be attacks from Albania on Yugoslavia and Greece. The former would affect the balance of power in the Balkans and might in turn involve Russia in some protective pro-Slav action.

The latter would be made with the object of securing the Greek seaports against possible Allied footholds. These

Footnotes to History

Armoured warships have so completely revolutionized naval warfare that the general American reader, knowing the importance of the invention, but lacking knowledge of its true birth, is filled with pride in the feeling that for the first time in history ironclads were used in the struggle to pre-serve the Union. The bloodless battle between the Monitor and the Merrimac, off Hampton Roads on March 9, 1862, is pointed out as the inauguration of the use of ironclad vessels.

This is not the precise truth. For, in 1855, during the Crimean War, Capt. Cowper Coles of the Royal Navy had ingeniously outfit-ted a raft with iron-plated protection, and boasting a revolving 32-pounder that rotated without the use of spikes or tackle. The experiment had been born as a result of the hot fire of the Russian guns defending Sebastopol, but never went beyond the embryo stage.

In the summer of 1861, the Confederate engineers raised a sunken Federal frigate, the Merrimac, after cutting it down to the hull, dressed it in iron plates. This apparent freak created havoc among the Union flotilla, threatening to annihilate the entire fleet. But the following spring, Capt. John Ericsson, Union engineer, constructed the iron-clad Monitor as a counter-weapon.

The subsequent battle was indecisive except for the fact that it halted the destruction of the Northern armada by the South. Its greater significance lies in the fact that it ushered in a new era of naval fighting, that of the steel battleship, and sounded the knell of wooden warcraft.

Daily Quotation

THE ELECT are those who put life into one, who give courage to the faint-hearted; hope out of their own heart's constancy.—LADY RITCHIE.

without prospects and scarcely able to scrape together a living. At twenty-eight, he was a millionaire. At thirty-eight, he retired from money-making, resigning all directorships and, later, passing over the controlling interest of the Daily Express to his eldest son. How did he do it? He became secretary to man with great commercial interests, won his employer's confidence by demonstrating a gift for salesmanship and a brilliant trading instinct. Soon he was handling huge business deals.

He established himself in Montreal as an independent financial source, put through some of the greatest industrial consolidations and reorganizations in the history of Canadian finance.

During one of his visits to London, in connection with financial schemes, Mr. Max Aitken renewed a friendship with a fellow-Canadian from New Brunswick, named Bonar Law. A general election was in progress.

Bonar Law, who was fighting a desperate struggle in North-west Manchester, urged Aitken to come and help him in the fight. Aitken, to the astonishment of every financial house in Canada, declared he would do more. He would fight a constituency himself. He became the candidate for Ashton-under-Lyne.

It was absurd. Aitken was a stranger to this country. His opponent was a local man. He had ten days in which to wrest the seat from the Liberals. He got in with a majority of 106.

Max Aitken settled in London. In 1911 he was knighted. In 1914, he was in khaki as record officer—a sort of super-publicity man—for the Canadian forces in France. In 1916, he was working hard to put out Asquith and put Lloyd George in.

Largely as a result of his and Lord Northcliffe's efforts, the transformed War Cabinet, with Lloyd George as Prime Minister and Bonar Law as Chancellor of the Exchequer and Leader of the House, was formed. Sir Max—he had already been made a baronet—was rewarded with a peerage and became the first Baron Beaverbrook.

It was in the last year of the war that Lord Beaverbrook took over the paper with which he is associated in the minds of most people. He bought the controlling interest of the Daily Express for £17,500. (In the previous year, the paper had lost £40,000.)

Beaverbrook spent hundreds of thousands of pounds, and eight years of his life, in making the paper a success. He retired from management (theoretically) in 1929. In the Express office to-day, "the Beaver," as he is universally known, in Fleet Street, is officially Daily Express Reader No. 1.

He also remains its No. 1 contributor. In its columns he

HERE IS A
FOOTBALL
POSER

FOUR teams—the Lions, the Tigers, the Pant and the Bears—formed a miniature football league. Each team played one match against each of the other three, two points being awarded for a win and one point for a draw.

Eleven goals in all were scored, five of them by the Lions. In their match against the Bears, the Lions won by two goals to one. The Tigers amassed five points in all; the Lions, three points; the Bears, one point.

What was the score in the game between the Bears and the Tigers?

SOLUTION

The Tigers beat the Bears 1—0.

This is a problem in deduction. 1.—It will be found that the Lions must have won against the Lions; otherwise more than 11 goals are required.

2.—Also all the Panthers matches must have been pointless draws.

3.—One goal is left unaccounted for; and, since the Tigers won their third game, the result must have been as above.

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launched the abortive Empire crusade, which resulted in Mr. Baldwin's plan that Lord Beaverbrook had a "personal vendetta" against him.

In its headlines, he assured his readers that there would be "no war this year or next year." And since the war started his pen has been hard at work. Beaverbrook has often been wrong, but he has never been beaten. At the age of sixty-one this month, he tucks the job of his career. We may all be thankful that he has agreed to do so.



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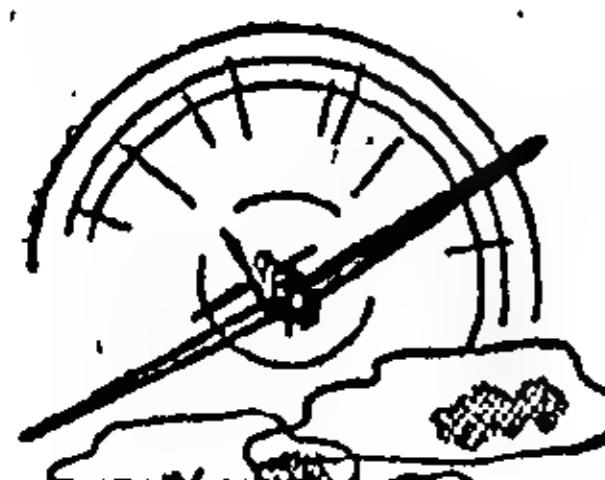
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**The
Hongkong Telegraph.**

Thursday, August 8, 1940.

Wyndham St., Hongkong

Telephone: 26615

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**SOMETHING TO
THINK ABOUT**

Japan has apparently decided on a change in policy and is contemplating action which she feels will realise her aims. One naturally asks what are the prospects for her in this quest for hegemony in Asia. She starts off with a comparatively empty treasury and facing an embargo on essential materials—aviation spirit and scrap metal which hitherto she has been able to import from the United States. Fifty-six per cent. of her requirements come from that country.

This seems to indicate that Japan's trade must immediately suffer eclipse since her merchant ships could hardly expect to trade with Europe, India or Australia—or anything like the same scale. Japan more than any other nation depends on trade for her internal economy. Unlike China she is not self-supporting, and she cannot divert the materials she requires from China, now so bitterly hostile.

Japan's greatest anxiety must be her precarious position in China, where she can neither complete her task of conquest, nor gracefully withdraw from the unhappy adventure. The more anxiety she displays in trying to conciliate China the more she acknowledges her own weakness. Japan cannot hope to win over China to her side after the way she has mercilessly and ruthlessly destroyed her cities, and rendered millions homeless.

It is the business of statesmen to envisage the future, and the wisest of them are those who take into their purview the numerous factors which are at work moulding that future. If an important element is omitted, then the policy which is followed lends not to good fortune but disaster. The factor which Japan cannot ignore in the estimate they make is the policy of the United States. So far they know that the United States will not view with indifference any alteration in the status quo of the Netherlands. Mr. Cordell Hull, the Secretary of State, has made that statement and has not retracted it.

There is no reason to suppose that Germany or Italy would allow Japan to retain any conquests if they were successful in Europe, and certainly she could not hold them if they were not successful. What must give Japan further cause for fear is the fact that Germany's much vaunted attack on Great Britain has not materialised, and so much was the situation changed that such an attempt at landing would now be almost welcomed in the British as it would give the army of the Empire an opportunity which it really seeks.

British sea power is unquestioned and is growing stronger, and at the end of the war will be of enormous strength, for quite clearly the Italian fleet cannot destroy it and the Germans have not the means of doing so. This is the first reason for the delay in the "blitzkrieg". The second is the destructive power of the British Air Force, which is relentlessly day and night demolishing

DEAR JOHN,

NOW that normal life is about to be interrupted and neither of us can be sure when or where we shall next meet, there are one or two things I feel I should like to say to you.

We are both fortunate that you are still at school while the world is occupied in turning itself upside down. When the time comes for it to right itself again, you will have a tremendous part to play—however small, it will be tremendous. Seeing what a mess my generation seems to have made of its job (although the fact that 50 nations joined in sanctions against Italy in 1935 shows

ramshackle structure for which they stand, seemed supremely comic and irrelevant. Away went Peter, putting up those ridiculous birds like a lot of scandalised readers of "Punch," and away went the social order! I haven't felt so carefree for months!

But that is only one small bit of it, and perhaps not a particularly edifying bit. One's personal emotional releases are not important these days. It seems to me that, black as things are for us now, and whatever the immediate outcome, the prospects for the world are by no means hopeless.

Though we are engulfed in the greatest war in history I feel positively optimistic about possibilities of abolishing wars in the future. Seeing that I have already been through one war to end war, does that sound mad? Some of the factors of current weakness in the democracies may themselves actually be symptoms of a better order emerging.

I was born just too soon to avoid expecting a measure of certainty from life—peace, social stability, even a degree of enjoyment seemed a part of one's birthright. You will at least not make that mistake! And if by any chance these things are added to you all the more precious for not having been expected,

ONE of the things that has so depressed us has been the reluctance of the free democracies to prepare themselves for defence and (so far as the small ones were concerned) to fight for their freedom when the time came.

But growing desolation of war, bred from their experience of the suffering and futility of the last one (and coupled with the tremendous change in outlook brought about by the growing ease of communications, which makes national boundaries look silly) has set in motion something historic.

Peoples have begun to question whether national sovereignty is any longer the supremely important thing it was. Hence their half-heartedness about its defence. I say "it began," because it was, at the time it was caught, only a partially-formed, almost sub-conscious idea. This gave brute force its chance. But the tendency is good.

The small Powers have been caught midway in a tremendous political movement—but the end of the movement, don't you see, is Federation. What, for the moment, has proved n-decisive weakness contains the seeds of strength and fighting for it are certainly not its

LETTER TO MY SON

Besides don't forget our talks about what Freedom is. It is by no means the same thing for you and me as it is for Clegg, the road-mender, or for the miners' sons who were in camp with last summer. There must be suffering and darkness first, but out of the new dispensation, in the end, a new freedom will spring, and a better freedom. Revolution is always cruel, but it is seldom barren.

And the suffering and darkness are probably necessary now. We have earned them with our inde-
pendence. You know the tag about a people getting the Government it deserves. I have never thought that true; but if one were to judge the democracies by their rulers one would certainly have to call them effete. Complacent, unimaginative, indifferent to suffering at home or outside—too comfortable, in fact.

Our rulers have foreseen nothing. To-day France and ourselves are calling on America. Yesterday China, Abyssinia, Spain, Czechoslovakia called on us—and got no answer. We are left to fight alone now because we would not fight together when we had the chance and the duty. All the democracies have let down all the other democracies: the only thing they have done collectively is to suffer from a common atrophy of will.

The decent people of this island don't deserve such rulers—though, perhaps, some of us who saw what was happening and tried to say what were not faithful enough in our protests: when normal channels of publicity proved insufficient we didn't throw up our job and go out into the streets and factories to agitate and organise . . .

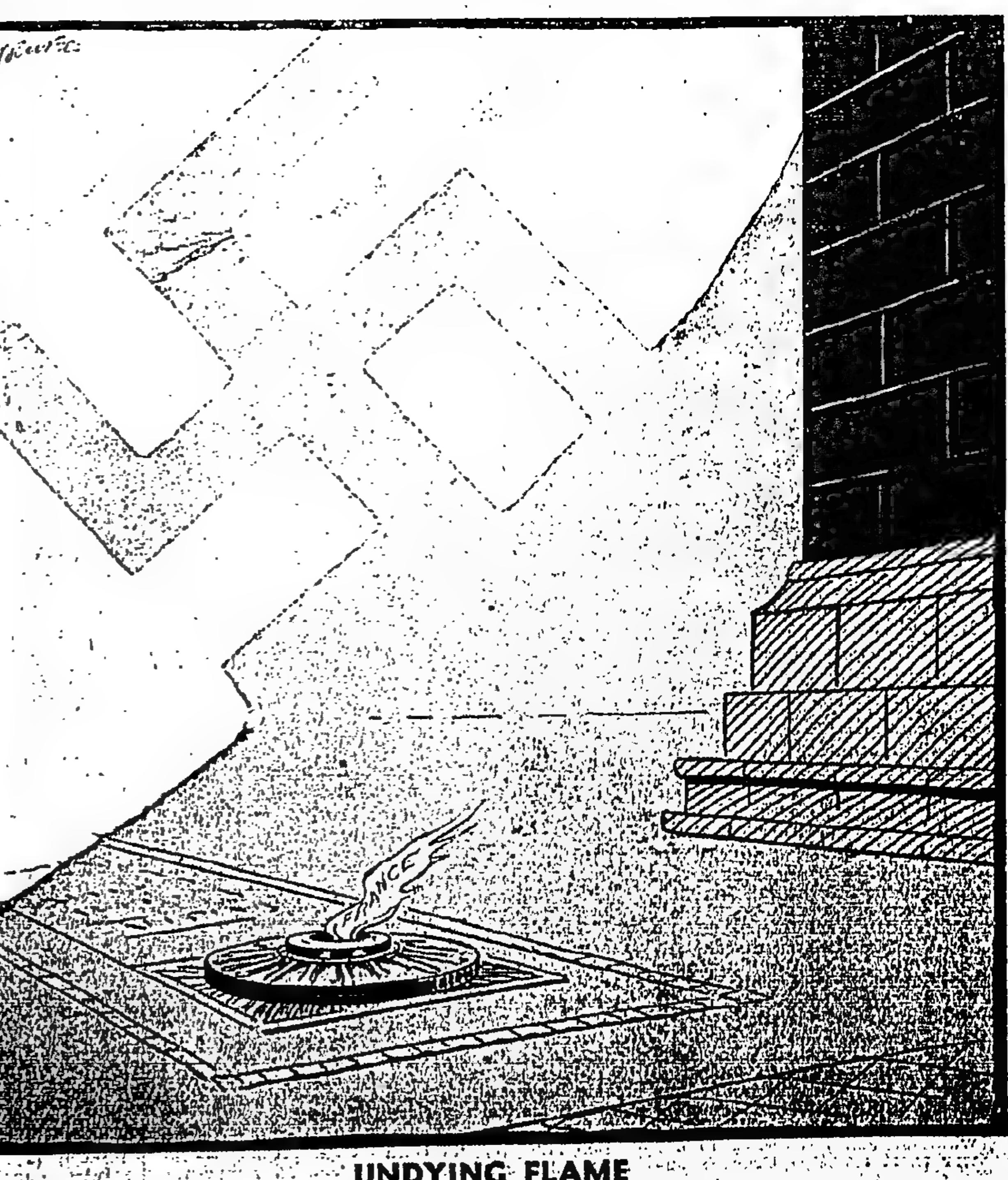
WELL, now—whatever happens—there is going to be a radical change. Good-bye to all that. And this it is that fills me with hope and, even a kind of joy, though I suppose we are about to see the end of many things that I personally treasure.

We have often agreed that this is a war of ideas, but so far all the ideas have been on the other side. That is why the other side has out-marshalled us at every point in the game. There has been no inspiration here—and, since Munich, little conviction.

Well, now it is the people's turn. What we need to arm ourselves with in this country to-day is not only guns but brooms. And when both the guns and brooms have done their job, you and your friends can get busy on the site that has been cleared and start building a new world.

I hope you'll do well in the swimming next Saturday.

Your affectionate
FATHER.



SHIPPING GAINS

Britain Adds 10,000,000 Tons To Her Service

LONDON, Aug. 7 (Reuter).—As a result of the German invasion of Poland, Norway, Denmark, the Low Countries and the collapse of France, the shipping strength of Great Britain and the Dominions has been increased by over 10,000,000 tons dead weight.

This was disclosed to-day by the Ministry of Shipping.

It is pointed out that not all these ships are being used in trade with this country, but are distributed all over the globe, free to engage in every kind of trade except contraband trade with the enemy.

About 5,000,000 tons are Norwegian, 3,000,000 tons Dutch and 500,000 tons under the control of the Belgian and Polish governments.

All are ships of 500 gross tons or more.

Under Ministry's Control

In addition, there are now, under the direct control of the Ministry of Shipping, three important categories of foreign shipping.

Firstly, there is the Danish shipping seized for British service, amounting to about 500,000 deadweight tons. Because of the circumstances in which the independence of Denmark was extinguished, there is no alternative to transferring these ships to the British flag.

Secondly, French shipping under British control amounts to about 500,000 deadweight tons. In order that they be free to assist these ships were requisitioned after France's signature to the armistice. They will sail under the British flag but will also fly the French flag.

The Ministry adds that many French officers and seamen have accepted Britain's offer to remain in employment in these ships on the same terms as British officers and seamen.

Thirdly, there is a great number of ships of various neutral countries on time charter to the Ministry of Shipping. They now amount to 1,250,000 deadweight tons.

The Cudahy Interview

Washington Wants The Text

WASHINGTON, Aug. 7 (Reuter).—The State Department has asked Mr. Joseph P. Kennedy, the U.S. Ambassador in London, to supply the complete text of the interview given to the Press in London yesterday by Mr. John Cudahy, the United States Ambassador to Belgium.

In this interview, Mr. Cudahy defended King Leopold's decision to surrender and he was reported to have forecast a condition approaching famine in Belgium in winter failing supplies from outside.

Mr. Sumner Welles, the Assistant Secretary of State, said the interview was given without prior consultation with, or authority by, the State Department.

ITALIANS BOMB WAJIR

NAIROBI, Aug. 7 (Reuter).—Today's communiqué states:

"Yesterday two enemy aircraft bombed Wajir without success. They were pursued by our fighter aircraft. Hits were registered on one enemy machine. Both escaped in the clouds."

THE BIGGEST LAUGH HIT OF THIS OR ANY SEASON

TIM'S A BIG HE MAN... HE AIN'T NO LADY But imagine his embarrassment... HE'S GOING TO HAVE THE BABY!



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Costumes by MARGARET SCHAFFER

Production Design by RICHARD LINDNER

Sound by RICHARD LINDNER

Music by ALFRED HIRSCHBERG

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Bradman's First 100

Don Bradman hit the first of his many Test centuries in this country at Nottingham, but, in spite of that, England won this first match of the series by 93 runs.

Wanting 429 to win, Australia had 229 for 3 on the board and Bradman and McCabe well set. The game swung round when Copley, an unknown boy fielding substitute for Larwood, made a wonderful catch to dismiss McCabe. Tate, bowled 50 overs (20 maidens) for 69 runs and 3 wickets.

BACK-STROKE RECORDS FOR ADOLPH KIEFER

New Marks Added To Series of Triumphs

SANTA BARBARA, Calif., July 6.—Adolph Kiefer of Chicago rewrote the record book for back-stroke swimming to-day.

Performing for the Towers Club of Chicago, the big lad was credited with breaking almost every back-stroke mark in the book in a sensational burst of speed that capped another brilliant exhibition in the men's national A. A. U. outdoor swimming and diving championships.

Kiefer captured the 110-yard back-stroke race as expected, and here's what he did:

His time for 110 yards was 1 minute 5.5 seconds. His time for 100 yards was 58.1 seconds. His time for 100 meters was 1:04.7.

FORMER RECORDS

A SEARCH of the A. A. U. records disclosed,

Kiefer established the old 110-yard record—a new distance in A. A. U. competition. His time was 1:05.0. Kiefer held the former 100-yard record of 58.8 seconds, set in Columbus, Ohio, in 1939. He held the 100-meter record of 1:04.8, set in Detroit in 1939.

All these records were hung up in a short or 25-yard pool, which gives a faster edge because a swimmer can come off the walls and gain time. The race was over a long or 55-yard route.

The long course record was set by Kiefer at Coral Gables, Fla., in 1935. It was 1:05.0 for 100 meters.

NEW RECORDS

THUS Kiefer, the world's greatest back-stroke swimmer, hung up new records for Kiefer to break.

The 200-pound artist was not the only record-breaker. The four-man team of the Island of Maui, Hawaii, won the 880-yard free-style relay in 9:17.3. Three years ago the Lake Shore Athletic Club team set the old American record at 9:20.

The quartet, boasting two brothers newly-crowned as A. A. U. champions, moved the Hawaiians nearer the hope for team championship.

SUCCESSFUL COME-BACK

KIYOSHI NAKAMA of Maui's Alexander Community House, dethroned two days ago as the 220-yard champion, came back and took

Godiva's Great Win In The Oaks

LONDON, June.—"My greatest regret is that Godiva did not run for the Derby. She must have won. She is the finest racer I have ever seen." That is how trainer William Narval summed up Mr. Harmsworth's filly after Godiva had won a great victory in the New Oaks at Newmarket.

He did no more than bare justice to Godiva, who in the opinion of many put up the best Oaks performance for more than a quarter of a century.

Climbing a mile and a half race at Newmarket is impossible, but all who tried agreed that Godiva put up good time. To do that she overcame the disadvantage of losing a length or two at the gate, and yet beat all the best fillies in the land pointlessly.

Douglas Marks took her in the front half a mile from home, and though challenged by Golden Penny and Silver Lace II she never appeared in danger of defeat.

She beat Silverlace II by three lengths and Golden Penny conceded third place to Valerine.

So good does Godiva now appear that even Djebel would have to do all he knows to beat her.—Our Own Correspondent.

SCRAPPY WATER POLO

European Y.M.C.A. yesterday beat South China Athletic Association by five goals to two in a very scrappy water-polo match in the "X" pool.

Poor passing by the visitors, who had a man unmarked and on his own three occasions in the deep end cost them three certain goals.

Y.M.C.A. were little better and while defending the deep end marked very poorly. G. H. Fowler, E. W. Ralton, G. T. May, R. A. Dodd and L. H. Chater scored for the home team, while Henry de Sa and Lionel Le replied for South China.

South China will meet I.M.S. Thursday at 8 p.m. tomorrow in the European Y.M.C.A. pool, while a Y.M.C.A. team will meet a Service team.

the 440-yard free-style in 4:50.4. He was an easy winner over Paul Herren of Los Angeles and the third-place finisher, Henry Parks of San Francisco. Ralph Flanagan won the title in 1939 but did not compete this year.

Defending Champion Jim Skinner of Detroit, University of Michigan star, had little trouble retaining his 220-yard breast-stroke championship, but failed to break a record. He was timed at 2:46.8.

The big clubs have suffered more than the smaller ones this season. They have much larger overhead expenses and while their aggregate attendance for the season show a great decline the smaller clubs received the same if not more, support.

It is likely, however, that the big clubs will carry on next season because they believe there will be a demand for sport on behalf of the war workers who must have some relaxation, also for the increased number of soldiers now in this country.

NO PROFITS

SO far not one of the balance sheets published by the leading clubs shows a profit. Here is a list of the clubs and the losses sustained by them:

Unwanted Horse Wins Blue Ribband

LONDON, June.—The Derby of 1940 will go down to history as the race which was won by the unwanted horse. It is doubtful whether the true story will ever be written.

Before Fred Darling paid £500 for Pont l'Eveque it had been offered to several other people. I fancy the first person to whom the colt was offered was Matthew Peacock, the Yorkshire trainer, and the price was £350.

That was before the colt ran second to Liberated at Newmarket. Subsequently the price went up to £500, and a woman owner told me she turned down the offer. Mr. E. Morris could not have had a very high opinion of Pont l'Eveque when he was a yearling as he was not nominated for any of the classic races. Nor was Lighthouse II, in any of our classic races, yet on merit they were probably the two best colts in the Derby field.

PROVED STOUTER

As regards the race itself, Pont l'Eveque proved stouter than Turkey and Lighthouse II. I would only say that if Pont l'Eveque had not been an outstanding performer when he was ridden to be beaten. First or second all the way, he was being put to his best pace half a mile from the finish.

Once Lighthouse II almost got on terms, but in spite of the fact that he had been on the stretch for a considerable time, it was Pont l'Eveque who found the extra bit which made all the difference. That is the test of the true stayer, and as such we accept the Derby winner.

Our Own Correspondent.

Soccer Clubs Doubt Ability To Carry On

LONDON, Aug. 1 (Reuter).—Many leading Association Football clubs have been thinking seriously of whether they will continue to operate next season—even if military conditions permit continuation of sport. The reason for this is that many sustained big losses on last season's workings and they feel they could not stand a repetition.

Only one big club so far, Bolton Wanderers, has definitely decided not to carry on next season. The ground staff has been dispensed with and notice given to the club Office Staff.

Bolton have published their balance sheet for last season showing a loss of £5,928.

The big clubs have suffered more than the smaller ones this season. They have much larger overhead expenses and while their aggregate attendance for the season show a great decline the smaller clubs received the same if not more, support.

It is likely, however, that the big clubs will carry on next season because they believe there will be a demand for sport on behalf of the war workers who must have some relaxation, also for the increased number of soldiers now in this country.

NO PROFITS

SO far not one of the balance sheets published by the leading clubs shows a profit. Here is a list of the clubs and the losses sustained by them:

Blackburn Rovers	£3,700
Bury	£4,309
Falkirk	£1,121
Glasgow Celtic	£7,155
Leicester City	£7,000
Liverpool	£6,355
Middlesbrough	£8,392
Sheffield U.	£6,440
Sheffield W.	£4,645

VILLA'S GREAT LOSS

ASTON VILLA who did not take part in any football or Cup matches because their ground was not available, but as the ban has now been lifted the directors have informed the Football League that the club will take part in whatever competition is prompted next season. It is also planned, subject to the exigencies of the situation, to run a team of young players in a local league.

Whereas Villa's gate receipts in 1938-39 were £63,584, the few matches they played last season yielded only £5,718. Sunderland, who did not take part in the Regional Competition but completed in the Football League War Cup, show a net loss of £3,446 for the year ending May 4.

Their total net income was £26,421 against an average of about £30,000 in previous years.

COUNT THE "TELEGRAPHS" EVERYWHERE

Remember Larwood?

HAROLD LARWOOD, who took part in the 20-overs-per-millennium match at Nottingham, bowled three overs for 15 runs without taking a wicket.

Reports say that the one-time England fast bowler found difficulty in getting a foothold and one fears that Larwood will always be feeling the acute physical effect of his last memorable tour to Australia in 1932-3.

July 28/51.

AFTER SALE BARGAINS

SPECIAL BARGAINS IN MEN'S SPORTS SHIRTS

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"COOPER'S" ART SILK IN FAWN, GREEN, BLUE AND WHITE. All sizes \$3.50 each

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VALERIE HOBSON
Screen play by Ian Dalrymple
Directed by TIM WHELAN

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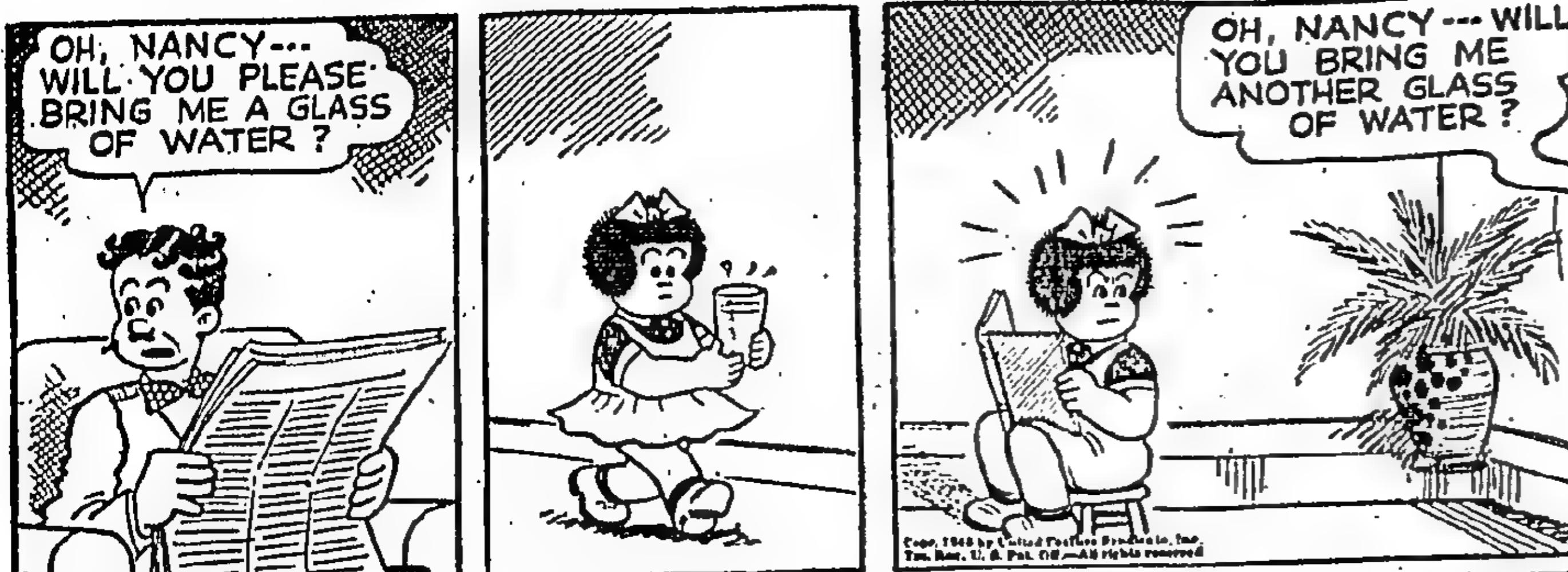
Thursday,

HONGKONG TELEGRAPH

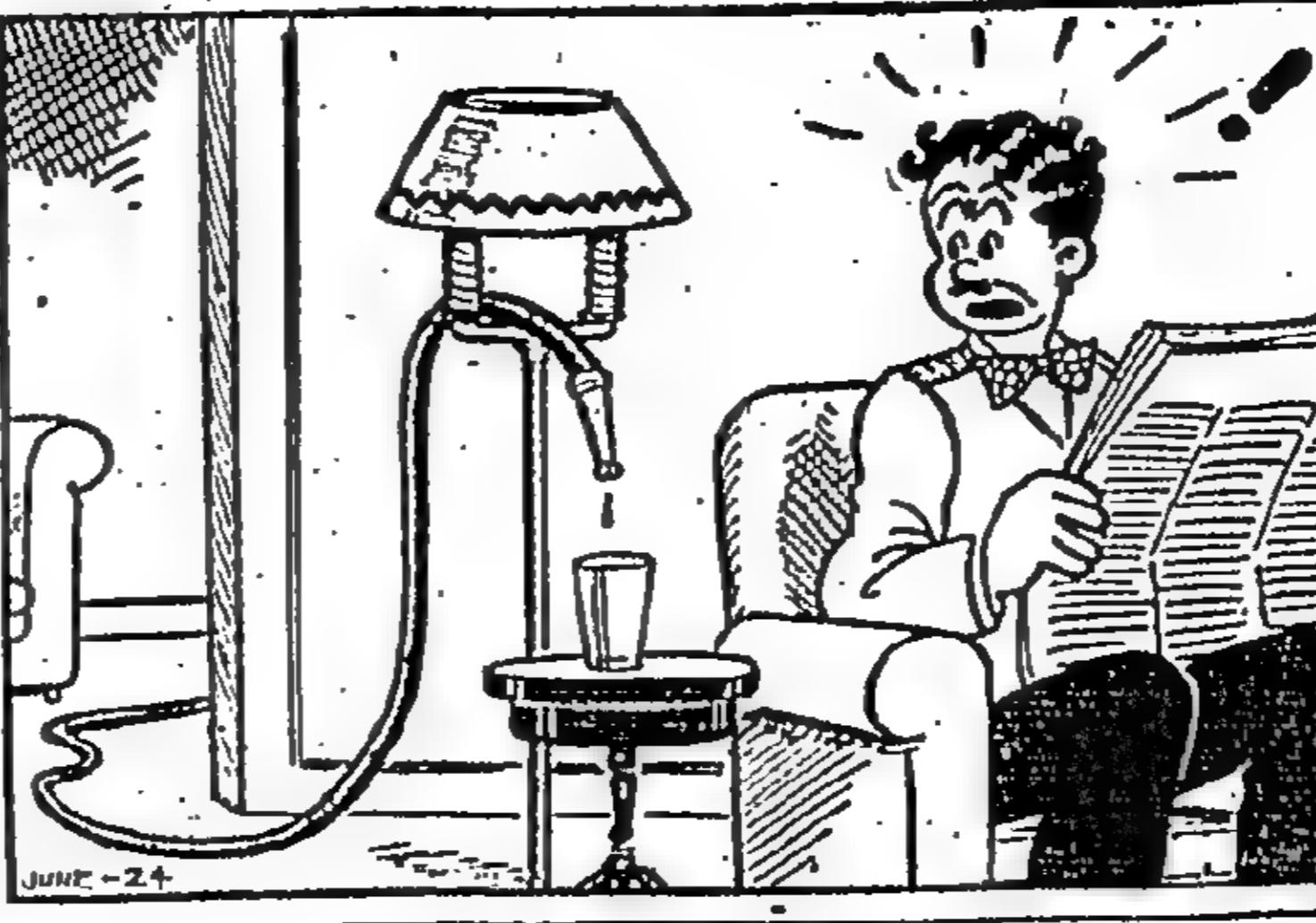
August 8, 1940.

7

NANCY



By Ernie Bushmiller



FIRST CLASS TIP

"Might I enquire, Sir, whether you have recently visited Spitzbergen or Baffin Island?"
"Of course I haven't."
"Then no doubt you are interested in some commercial form of refrigeration — chilled beef, for instance?"
"Nothing to do with it."
"In that case, Sir, you will have no objection to closing that window. It is exceedingly cold, and the draught is ferocious."
"I beg your pardon, Sir. I'm terribly sorry. Fact is, I've a most appalling headache, and the cool air does it good. I attended a most enjoyable party last night, and I'm feeling much the worse for it!"
"My dear fellow, why didn't you say so at first? Trouble is, it's so long; since I've had a hangover myself, I've almost forgotten the symptoms. Was there no Rose's Lime Juice in your corner of the Shires?"
"Afraid I don't follow you."
"Rose's Lime Juice, I said. Cancels hangovers in advance. You either mix it with gin, or swallow a stiff glass solo before bed. Why, man, it's smoothed the paths of thousands."
"You're telling me that Rose's fills this long-felt want?"
"I've never known it fail."
"Then, Sir, I am deeply indebted to you. Here is my card. I trust that we shall see more of each other. Much more. Are you by any chance free to dine tonight? Wonderful how these chance encounters change the course of one's whole life!"

AMERICAN

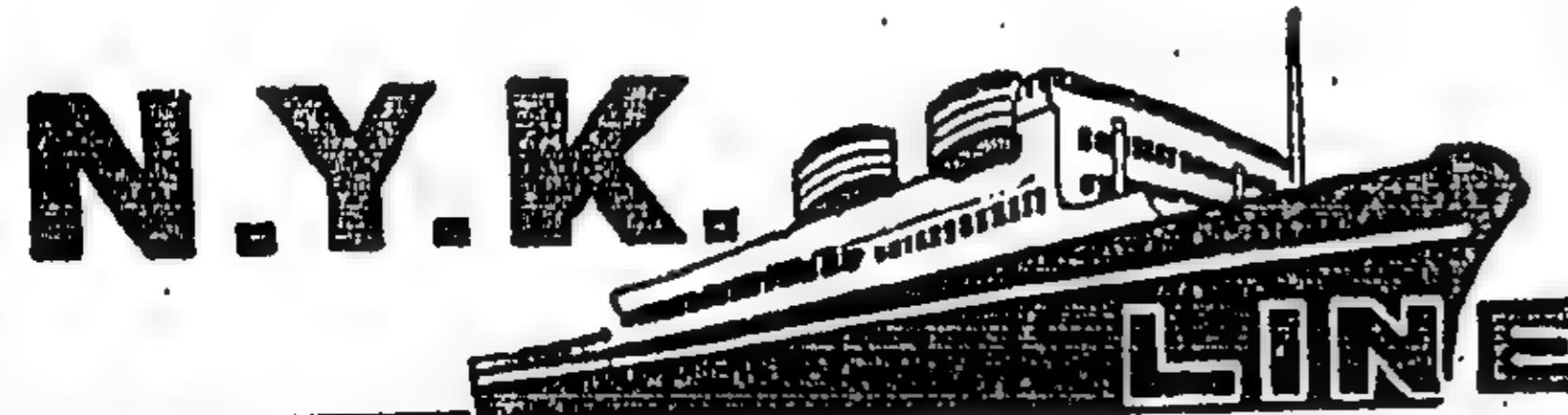
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Asama Maru Wednesday, 21st Aug.

LIVERPOOL via Cape Town.

Husimi Maru Sunday, 11th Aug.

SYDNEY & MELBOURNE via Manila.

Kano Maru Wednesday, 28th Aug.

BOMBAY via Singapore & Colombo.

Okita Maru Sunday, 11th Aug.

RANGOON & CALCUTTA via Singapore.

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Hakusan Maru Wednesday, 14th Aug.

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HONGKONG TELEGRAPH

August 8, 1940.

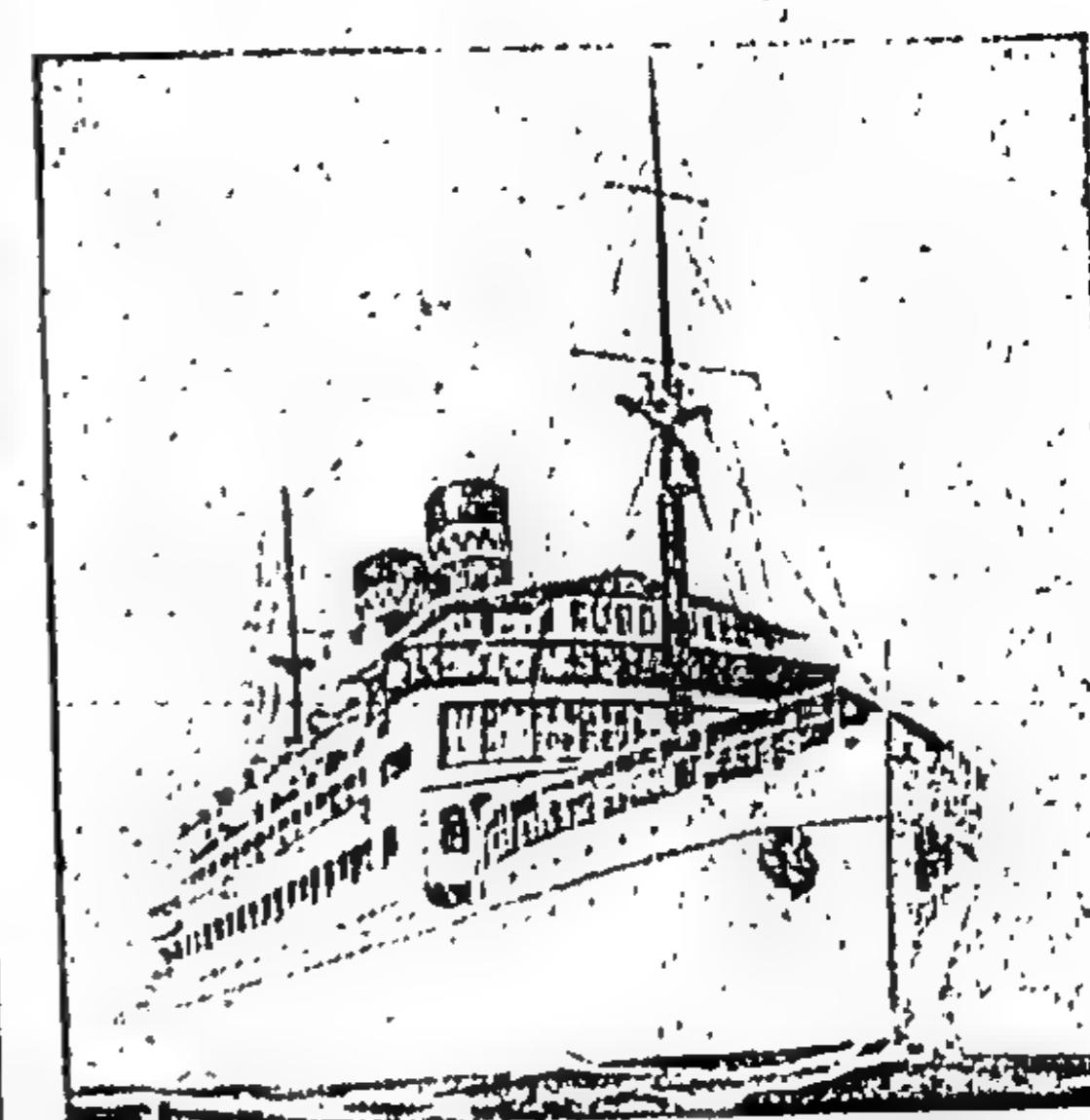
By Ernie Bushmiller

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Hungary And Rumania Start Talks

ADJUSTING RELATIONS IN THE BALKANS

LONDON, Aug. 7 (Reuter).—According to a Budapest despatch to the official German news agency, M. Bossy, the Rumanian Ambassador in Rome, has been sent to Hungary as special envoy to begin preliminary talks with the Hungarian Government.

Envoy Arrives

BUDAPEST, Aug. 7 (Reuter).—M. Bossy has arrived and is expected to have immediate talks with the Hungarian Prime Minister and Foreign Minister.

Despite the high hopes entertained by Hungary after Hitler's talk with the Rumanians at Berchtesgaden, many people here have little faith in the result of the negotiations which are expected to move slowly to an inconclusive end.

It is noteworthy that the Germans here are busy trying to damp down revisionist enthusiasm, and are suggesting, for example, that a part or even the whole of Slovakia will be offered to Hungary as compensation for the smallness of the concession to be obtained over Transylvania.

The possibility of open Hungarian-Romanian hostilities is not at present seriously discussed in Budapest although mobilisation is now almost complete.

Wins Bar To His D.F.M.

LONDON, Aug. 7 (Reuter).—Among R.A.F. awards announced today is a bar to the Distinguished Flying Medal to Flight Sergeant William Henry Franklin, formerly laboratory assistant in Eastern London.

Flight Sergeant Franklin has shot down ten enemy aircraft and has assisted in destroying a further two.

On one occasion he encountered seven fighters. He engaged five of them and destroyed one.

REPATRIATION OF BRITONS

LONDON, Aug. 7 (Reuter).—A Swedish steamer has arrived at a Rumanian port from Potsamo, Finland, with 125 Britons, who had been interned in Sweden after being cut off between Trondhjem and Narvik when the British Army was evacuated.

As yet the Egyptian Government, as an ally, is co-operating to the fullest extent in this matter, Mr. Butler replied—smile—cheers! "We take that for granted."

Absorption Of Alsace

Hitler Appoints An Administration

LONDON, Aug. 7 (Reuter).—Indications of Hitler's plans with regard to the absorption of Alsace-Lorraine and Luxembourg into the Reich are contained in two decrees issued by him to-day whereby the entire administration of Alsace-Lorraine and Luxembourg will, in future, be no longer independent of the Army authorities, but will be conducted by civil administrative chiefs acting immediately under Hitler.

Joseph Buerckel, Robert Wagner and Gustav Simon are appointed Gauleiters for Lorraine, Alsace and Luxembourg respectively.

Bulwer von Schirach, the Hitler Youth leader, becomes Gauleiter of Vienna in place of Buerckel.

FRENCH COLONY LAYS DOWN ARMS

SPECIAL TO THE "TELEGRAPH":

CAIRO, Aug. 7 (UP).—It is officially reported that armistice terms are under discussion regarding the fate of French Somaliland.

No details are given.

The report adds: "The effect of the collapse of French Somaliland resistance is that the French offensive from Somaliland into Ethiopia is now definitely abandoned."

Meanwhile, it is officially announced in Canberra, the Australian capital, that the Council of New Caledonia passed a resolution on June 24, reaffirming their intention of co-operating with Great Britain.

Russian Fleet Out, Says B.B.C. Report

SPECIAL TO THE "TELEGRAPH":

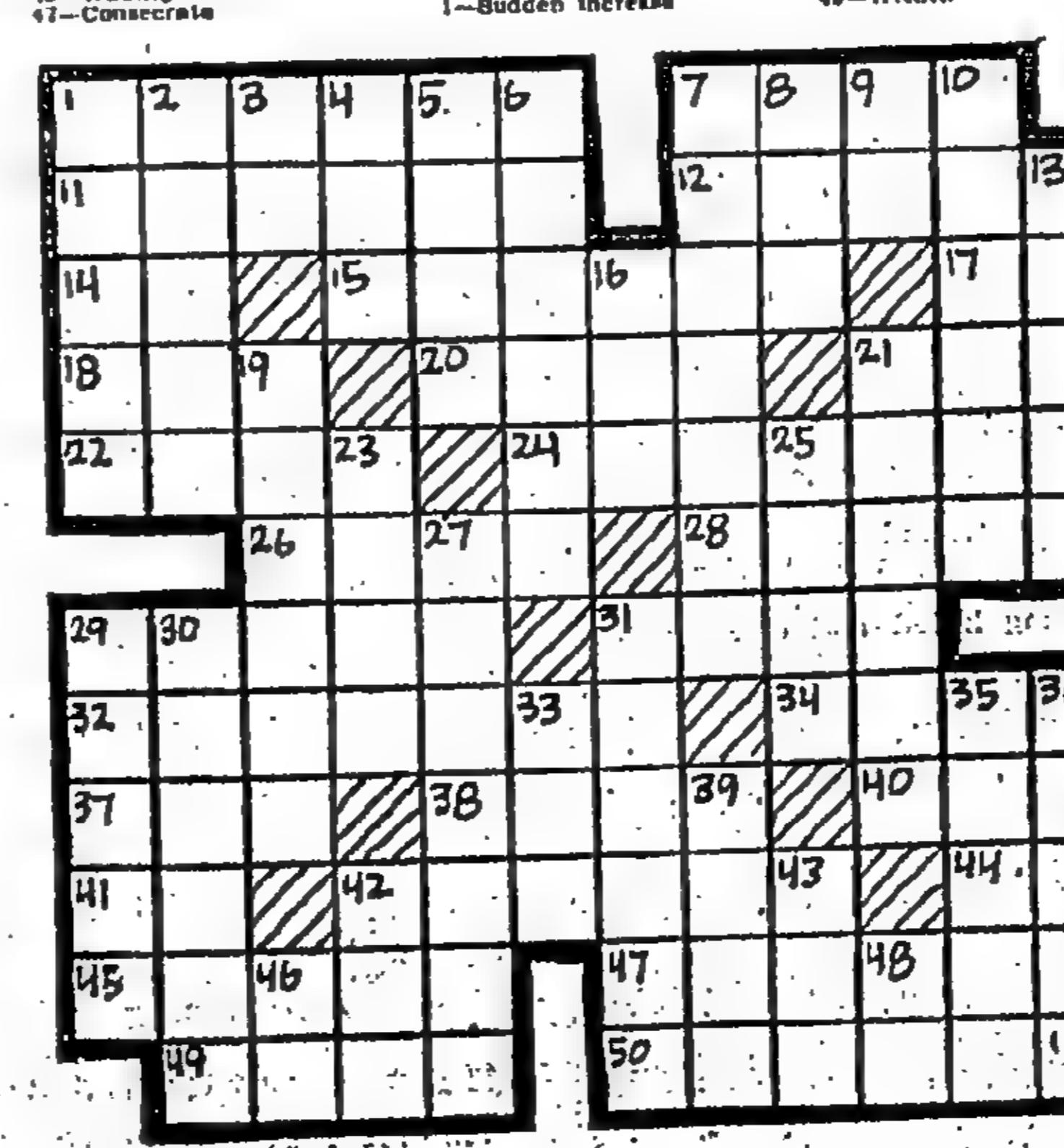
LONDON, Aug. 7 (UP).—The B.B.C. has broadcast a report emanating from Radio-Moscow, declaring that the Russian Fleet in the Pacific is engaged in large-scale manoeuvring.

Observers recall that Radio-Moscow has made several announcements of this nature recently and no significance is attached to this report.

Crossword Puzzle

BY LARS MORRIS

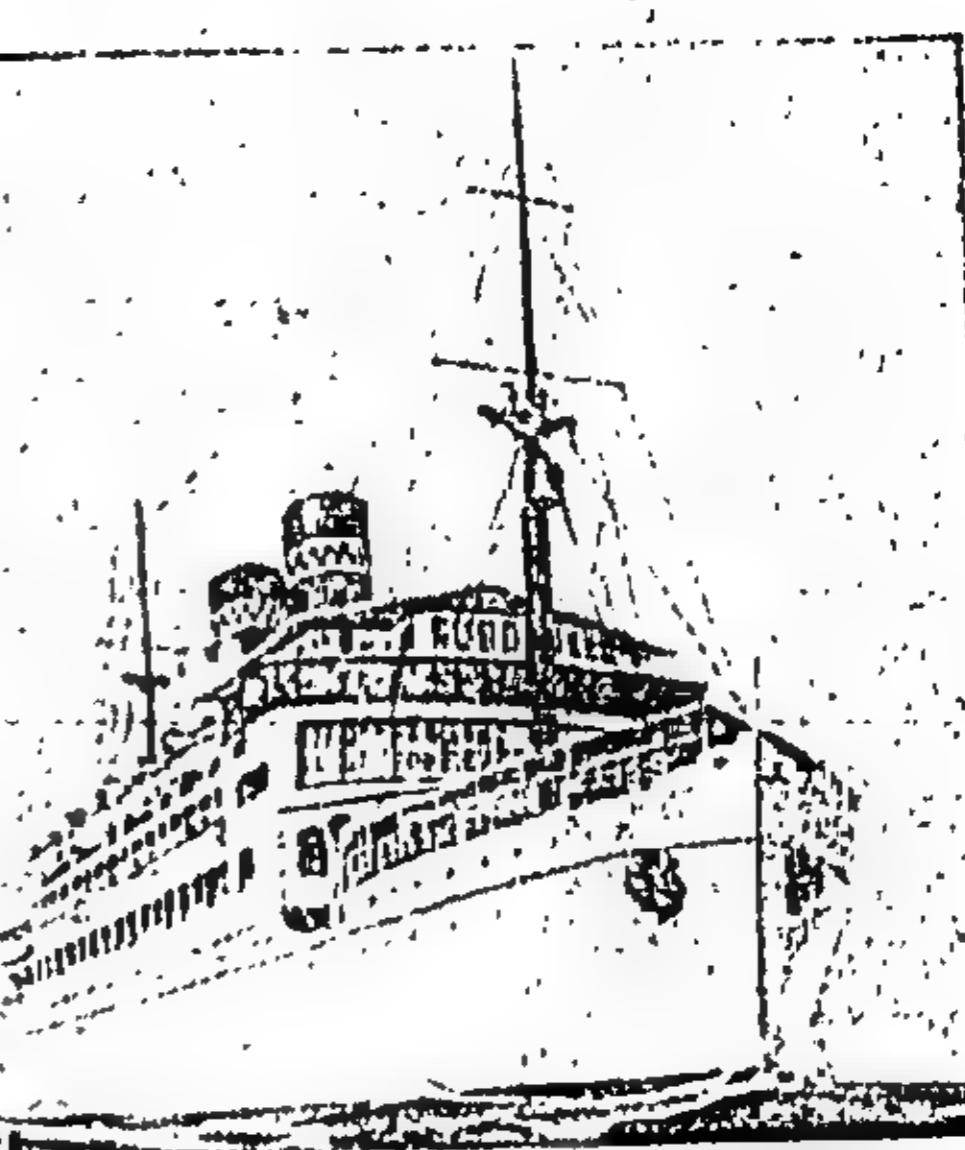
ACROSS		ANSWER TO PREVIOUS PUZZLE
1—Permitted to live		2—Paris for window
7—Couple		8—Eighteenth letter
11—Procession		9—of cloth
12—Competitor		10—Prepare for publication
13—Crown		11—power
14—Execute by hanging		12—Clergyman
17—Eighteenth letter		13—Island
18—Bright color		14—I have
19—Oriental weight		15—Blender stand
20—Red vegetable		16—Terrorous
21—Russian ruler of 11th century		17—Polish general of Turkish army (d. 1396)
22—Husky		18—European river
23—Husky		19—Dolce
24—Husky		20—Enclosed area
25—Husky		21—Escape
26—Husky		22—Print moves
27—Husky		23—Iterate
28—Husky		24—Working animals
29—Husky		25—basis of decimal system
30—Husky		26—Trousers
31—Husky		27—Cloth shelter
32—Husky		28—Spot
33—Husky		29—Kline (French)
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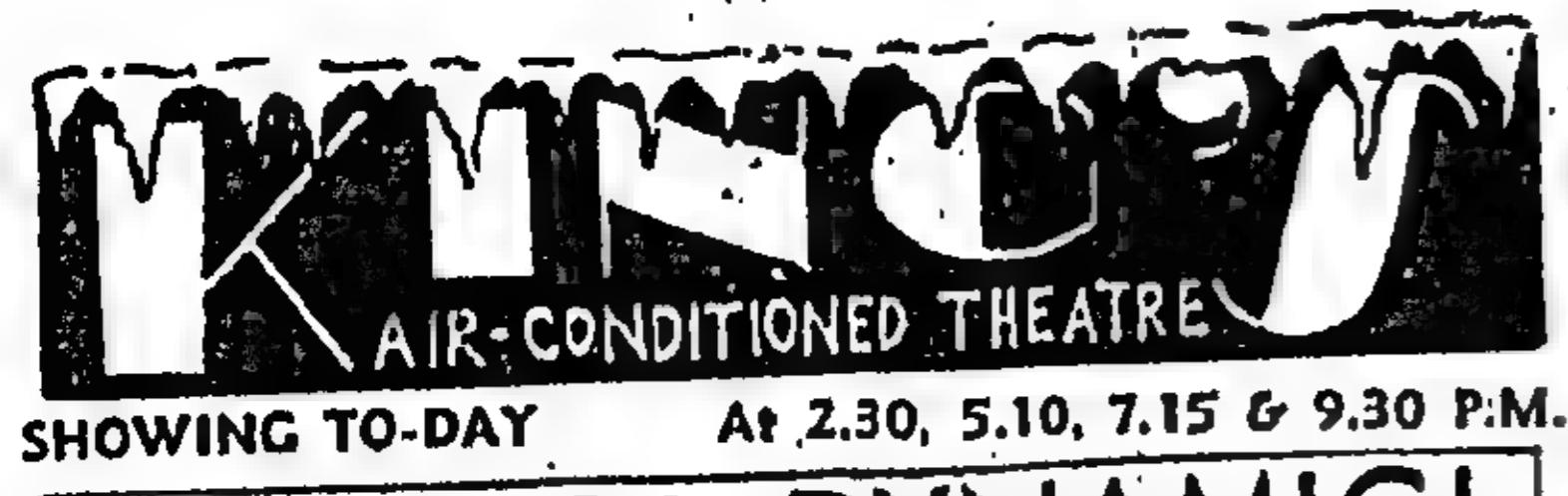
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August 8, 1940.



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Over Europe

RALPH
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Screen play by Ian Dalrymple
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HE'S GOT A VOICE LIKE A NIGHTINGALE...
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THE STORY OF THE MOST AMAZING MAN-HUNT
THE WORLD HAS EVER SEEN
BORIS KARLOFF in "BRITISH INTELLIGENCE"
A Warner Bros. Sensational Drama

Nazi Pilot Captured By Woman

Drama In English Country Lane

LONDON, Aug. 7 (Reuter).—A German airman who is thought to have landed by parachute and who had been at large for about 11 days, was captured to-day in the Bristol area. He surrendered to a woman motorist who noticed his unusual appearance.

It is thought that he may have bailed out after his machine was hit.

Walks Out Of Wood

It later transpired that he was captured by Lady Buckland, widow of Lord Buckland. The airman emerged from a wood looking very dishevelled and could only speak a few words of English.

He indicated by a dumb show how he had bailed out of his plane and that he was afraid to surrender because he expected to be killed immediately. It also transpired that the authorities have also arrested two other airmen who had bailed out of a plane, and had been searching for this man for the past nine days.

H. K. Stock Market

The following quotations were issued on the Hongkong Stock Market this morning:

BANKS	
H.K. Banks \$.....	1,185 n.
H.K. Banks (Lon.) £.....	65 n.
H.K. Banks (U.K.) £.....	65 n.
Chartered £.....	63 n.
Mercantile, A. & B. £.....	284 n.
Mercantile, C. £.....	114 n.
East Asia \$.....	73 n.

INSURANCES

Canton \$.....	215 n.
Union \$.....	350 n.
China Underwriters	10 cts.
H.K. Fire \$.....	160 n.

SHIPPING

Douglas \$.....	120 n.
Steamboats \$.....	11 n.
Indo-China P. \$.....	100 n.
Indo-China D. \$.....	80 n.
Shill (Bearish) \$/-	3276 n.
Waterboats \$ x.d.	0.00 n.

DOCKS ETC

Wharves \$.....	.00 n.
Docks (old) \$.....	16 s.
Docks (new) \$.....	154 s.
Providents \$.....	3.60 su.
Sh. Docks Sh. \$.....	371 n.

MINING

Kiddon s/-	167 n.
Raubs \$.....	.05 n.
H.K. Mines \$.....	5 cts.

LANDS

Hotels \$.....	3.10 n.
Lands \$.....	.32 n.
Lands 4% Debentures	100 n.
Sh. Land Sh. \$.....	.00 n.
Humphreys \$.....	.7 n.
H.K. Realities \$.....	.35 n.
Chinese Estates \$.....	101.5 n.

UTILITIES

Trams \$.....	1512 n.
Peak Trams (old) \$.....	7.40 n.
Peak Trams (new) \$.....	3.70 n.
Star Ferries \$.....	571 n.
Y. Ferries \$.....	21 n.
China Lights (old) \$.....	.03 n.
China Lights (new) \$.....	.36 n.
H.K. Electrics (old) \$.....	.361 n.
H.K. Electrics (new) \$.....	.35 n.
Macao Electrics (old) \$.....	.17 n.
Macao Electrics (new) \$.....	.16 n.
Sandakan Lights \$.....	113 n.
Telephones (old) \$.....	2212 n.
Telephones (new) \$.....	.812 n.

INDUSTRIALS

Cald. Marg. (Ord.) \$.....	\$14.00 n.
Cald. Magc. (Prof.) \$.....	12 n.
Canton Ices \$.....	1 n.
Canton Ices \$.....	15 n.
H.K. Ropes \$.....	41 n.

STORES, &c.

Dairy Farms \$.....	.181 n.
Watsons \$.....	.82 n.
Lane Crawfords \$.....	.74 n.
Sinceres \$.....	.215 n.
Wing On (H.K.) \$.....	.30 n.
Powell Ltd. \$.....	1 n.

COTTON MILLS

Ewo Sh. \$.....	.343 n.
Shai Cotton Sh. \$.....	.200 n.

MISC.

H.K. Govt. 4% Loan \$.....	.09 n.
H.K. Govt. 3 1/2% Loan \$.....	.05 n.
H.K. Govt. 3 1/2% (1940) \$.....	.05 n.
Ch. Govt. 5% 1925 GSBDs \$.....	.357 n.
H. K. Entertainments \$.....	.60 n.
Constructions (old) \$.....	1.60 n.
Constructions (new) \$.....	1.1 n.
Vibr. Piling S.....	.8 n.
Marsmans Inv. (Lon.) \$/-	.77 n.
Marsmans Inv. (H.K.) \$/-	.47 n.

NAZIS TO BLAME IF THERE IS A FAMINE

LONDON, Aug. 7 (Reuter).—While authoritative London circles still maintain their previous standpoint that acute local food shortages in Europe this winter may become a distinct famine, they assert that if such famine should occur, it inevitably will be in direct consequence of the Nazi inability to distribute the supplies of foodstuffs which they themselves have always claimed to hold in reserve and that only Nazi rapacity and inability to maintain proper communications can be blamed.

Official Nazi statements have repeatedly emphasised the huge food grain, which her invasion of the adjacent countries since is estimated to have increased to nearly 10,000,000 tons.

The official German wireless on June 27 stated that while the Hoover plan for the relief of Belgium, France and the Netherlands is this solely due to the inability of the Nazi machine to cope with a situation of their own making.

Though a few food ships from the United States to Marseilles, which had left the port of departure before the collapse of France, have been allowed to pass the British Control, no general Anglo-American conversations with regard to relief supplies have been conducted nor in prospect.

Among many other instances of this assertion, Hitler in his Reichstag speech on July 19 said that Nazi supplies of food were "limitless."

Germany entered the war with a reserve supply of 7,000,000 tons of

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Bad Weather Hampers

But R.A.F. Score Hits On Nazi Factories

LONDON, Aug. 7 (Reuter).—An Air Ministry communiqué states that last night R.A.F. bombers, hampered by low cloud and poor visibility, were forced to abandon many of their primary objectives.

In spite of this, an oil plant at Homburg, a supply depot at Scherte, an anti-aircraft battery in Hamm and a factory at Mors were attacked while other aircraft bombed aerodromes in Holland and Northern Germany, causing damage to hangars and many fires.

One of our aircraft is missing.

TRADE PACT WITH SOVIET, LATEST

LONDON, Aug. 7 (British Wire- less).—Mr. R. A. Butler, in the House of Commons to-day, replied to a number of questions relating to the progress of negotiations for a trade agreement with Russia.

He said: "Lord Halifax recently gave instructions to the British Ambassador at Moscow to seek a further interview with the People's Commiss

DEPENDABLE USED CARS

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1933 Austin "12" Saloon	\$ 800	
1934 Vauxhall "14" Saloon	\$1,200	
1935 Chevrolet Master Sedan	\$1,600	
1936 Ford Cabriolet	\$1,600	
1937 Studebaker Coupe	\$2,200	

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Alleged Japanese Demands on French Indo-China

SITUATION QUIET BUT "BALLOON MAY GO UP"

THE SITUATION IN FRENCH INDO CHINA REMAINED QUIET THIS MORNING, ACCORDING TO AUTHORITATIVE SOURCES.

Chinese sources declare that negotiations are in progress between the Japanese authorities and Rear Admiral Decoux regarding the Japanese demands which are stated to be as follows:

- 1.—Establishment of Japanese naval bases at Kwangchowwan, Haiphong and Camn-Rahn Bay;
- 2.—Establishment of Japanese military bases at Haiphong and in the interior;
- 3.—French section of the Haiphong-Kunming Railway to be made available to Japan for transportation of men and materials;
- 4.—Establishment of Japanese aerial bases on French territory;
- 5.—Closer economic collaboration between Indo China and Japan.

WARSHIPS CONCENTRATE

There is no confirmation from other sources of these so-called demands.

Although the situation in Indo China is at the moment quiet, authoritative sources expect "the balloon to go up at any moment."

It is reported that, in addition to a concentration of some twenty or thirty warships in the vicinity of Tongking Bay, Japan has approximately 30,000 troops along the Indo China-Kwangsi frontier.

The French authorities have dynamited all railway and highway bridges along the Kwangsi and Yunnan frontiers.

The "Telegraph" learns that, in addition to 18 Japanese transports sighted earlier this week heading southwards, presumably towards Indo China, eleven transports were later sighted by a ship en route from Shanghai to Hongkong, heading in the same direction.

American naval sources in Manila confirm increased movements of Japanese warships southwards from Formosa.

Pope Appeals For Truth

SPECIAL TO THE "TELEGRAPH"

VATICAN CITY, Aug. 7, (UP).—His Holiness Pope Pius appealed to newspapers to-day to tell the truth, asserting that incorrect information was

comparable to the destruction caused by armoured cars and bombers.

"The tongue has killed more people than the sword," he added.

Totalitarians' Post-War Plan

—If they win

Japanese Hegemony Complete In Asia

SPECIAL TO THE "TELEGRAPH"

WASHINGTON, Aug. 7, (UP).—Senator William King, in a statement to "United Press" to-day charged that Japan, Italy, Russia and Germany had reached an agreement for the division of the spoils of war in the event of a defeat for democracy in Europe.

In such an event, he believes, China will also be defeated in the Far East.

Japan, he alleges, has been assured of a complete hegemony over all Asia by the other Totalitarians—if the Totalitarians win.

If the plans mature, Japan will control the entire continent of Asia except India, Afghanistan and Siberia, Senator King said.

Turn to Page 5, Second Column

Chinese sources reported last night that Generalissimo Chiang Kai-shek has concentrated some twenty divisions of troops under General Li Chung-jen on the Yunnan-Indo China frontier.

It will be recalled that the Chinese Foreign Minister, Mr. Wang Chung-hua, last week warned the French authorities that China would be forced to adopt "certain measures" in the event of enemy troops being permitted to land in Indo China.

Demobilisation Ceases

Demobilisation of French and colonial troops in Indo China has ceased on instructions from the new Governor-General, Admiral Decoux, who is concurrently Commander-in-Chief of the French Asiatic Squadron.

Although the French army and naval forces in the Far East are not considerable, France is believed to possess a goodly number of submarines, which are stated to be based at Camn-Rahn Bay. In the event of hostilities, the Japanese Navy would thus meet submarines for the first time in Japan's naval history.

It appeared this morning that shipping between Hongkong and French Indo China, which temporarily ceased last week because of the Japanese refusal to permit British ships to load or unload, has returned to normal. British ships are stated

Turn to Page 5, Fifth Column

LATEST

FRANCE TO RESIST

SHANGHAI, AUG. 8. (REUTER).—THE VICHY GOVERNMENT HAS NOTIFIED THE CHINESE GOVERNMENT THROUGH DR. WELLINGTON KOO, THE CHINESE AMBASSADOR TO FRANCE, THAT SHE WILL OFFER RESISTANCE IN THE EVENT OF INDO CHINA BEING INVADED.

The Italian objective is believed to be Berbera or Zella on the Gulf of Aden. Their immediate objective will be to obtain control of five trunk roads in British Somaliland.

The northern column will probably attempt to control the border with French Somaliland and the Djibouti-Addis Ababa Railway, while the central column will probably thrust along the Hargeisa-Berbera road.

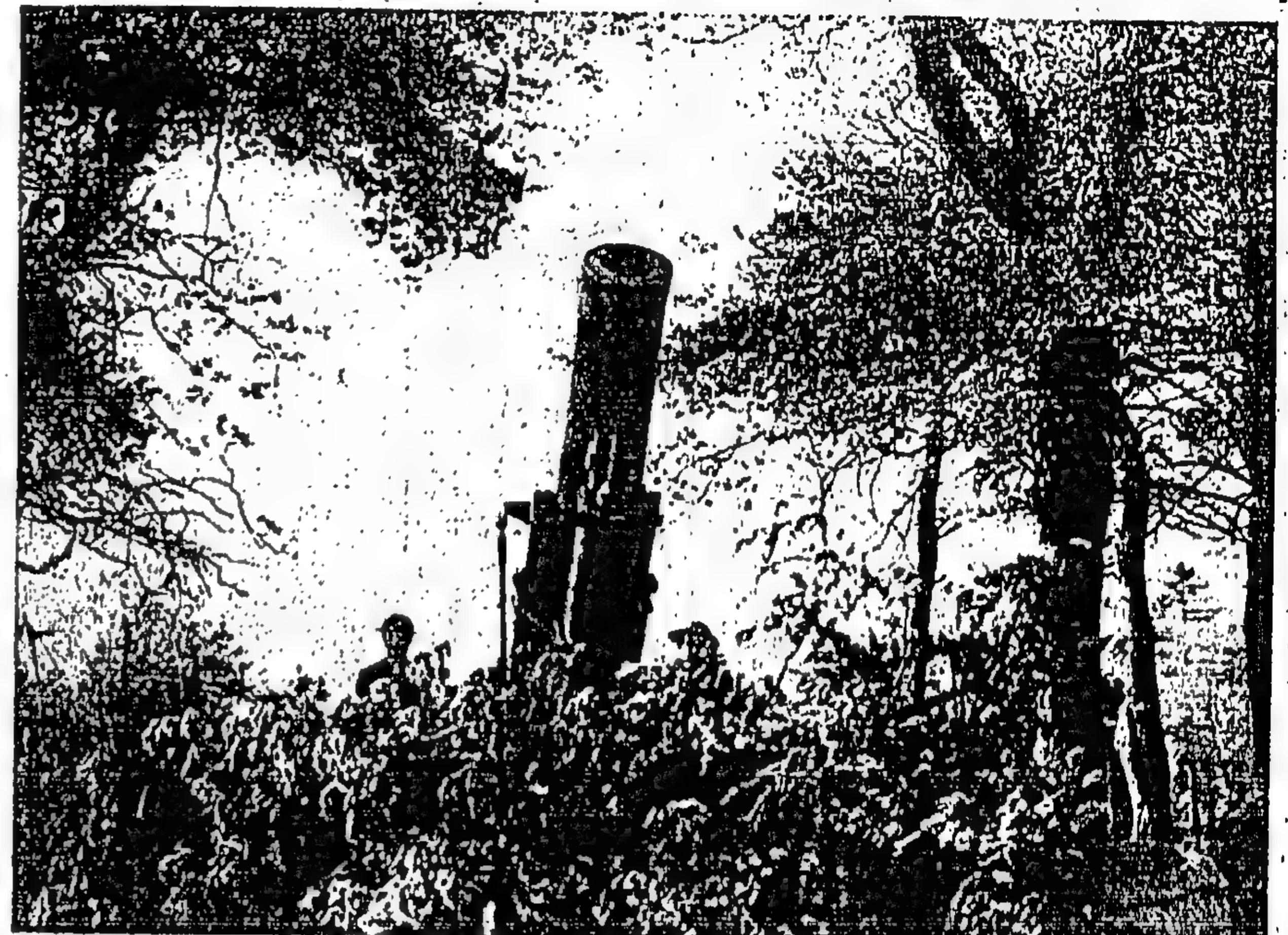
The southern column will mainly apply itself to the defence of the Italian Somaliland border.

The total strength of the Italian forces on the Somaliland front is estimated at 155,000.

British military authorities believe the Italians may start large-scale operations in northern Africa. In concert with the push of the Ethiopian forces, the Italians in Libya will

Turn to Page 5, Fourth Column

BRITAIN'S BIG GUNS READY FOR NAZIS



An imposing study of heavy artillery "somewhere in England" indicating the ever watchful eyes of our gunners. These men are always at their posts ready for any eventuality. Should necessity arise these monster guns will inflict devastating damage on the enemy.

Britain To Purchase U.S. Tanks

WASHINGTON, Aug. 7. (Reuter).—The British Purchasing Mission has informed Mr. Henry Morgenthau, Secretary of the Treasury, of the British Government's intention to place large orders in the United States for tanks, field artillery and many other supplies not previously purchased in America.

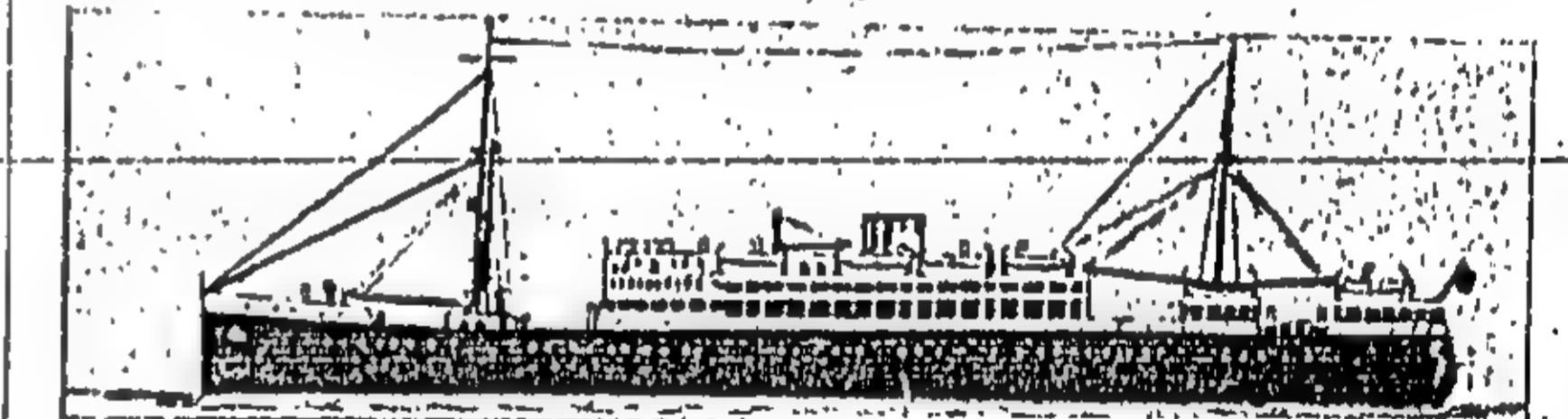
This was revealed by Mr. Arthur Purvis, head of the British Mission, in an interview. He

said that these orders "involving hundreds of millions of dollars" would be material to be delivered at a considerable time in the future. He indicated that previous purchases had been made to a large extent on the basis of immediate needs, but the new programme would be for anticipated future needs.

PASSENGER SHIP TORPEDOED: NO U-BOAT WARNING

SPECIAL TO THE "TELEGRAPH"

LONDON, Aug. 7 (UP).—The 9,337-ton Elder Dempster motor-ship Accra was torpedoed off the Irish Coast on July 25 whilst leading a convoy, it has just been revealed in London.



The torpedoed Liner Accra

Eight passengers and nine members of the crew are missing.

The Accra, which was launched in 1926, has normal accommodation for 400 passengers and 160 crew. It is authoritatively learned she did not carry any children.

Survivors state that there was no panic, although one lifeboat capsized and a raft turned over.

The submarine fired without warning and she was not sighted at any time during the sinking.

Sank In 30 Minutes

The Accra sank in about 30 minutes, going down by the stern with her Endymion flying.

Most of the lives were lost when the motor lifeboat capsized.

A member of the crew said: "I saw the Captain picked up."

Herbert Bright, a steward, said: "I had just finished serving coffee after luncheon when the torpedo hit us."

"I was on the Lusitania in the last war when she was torpedoed, and this is the third time I have been torpedoed in this war."

"The passengers and crew behaved wonderfully, but nobody had any time to collect their belongings."

"I understand the submarine was sunk a few hours later."

The Accra is well known on the African coast and has been engaged in the Liverpool-West Africa service.

Skippers Interviewed

Captain John Joseph Smith told an interviewer that the officers and

Turn to Page 5, Fifth Column

U.S. KEEPS EYE ON GREENLAND

LONDON, Aug. 8 (Reuter).—The U.S. Convoys have intensified its patrol along the coast of Greenland in case of attempts by Germany to establish air bases there, states the New York correspondent of the London "Daily Mail".

The coastguard cutter Campbell, newly equipped with heavy guns and anti-aircraft guns, is already off the Greenland coast, supplied with enough food and fuel for a year.

Two more cutters are on their way to Greenland.

Many German "exploratory missions" have been in Greenland, according to the Danish Governor, Dr. Brun, who is now in the United States concerning with American officials.

VATICAN PACT WITH PORTUGAL

LONDON, Aug. 7 (Reuter).—According to Rome-Radio, an agreement has been signed between the Vatican and Portugal whereby Churches in Portugal will in future be legal without the additional civil ceremony hitherto required by the state.

OTTAWA, Aug. 7 (Reuter).—The Canadian Parliament which has been in session since May 16 has been adjourned till November 5.

I. L. O. LEAVES GENEVA FOR NEW WORLD

SPECIAL TO THE "TELEGRAPH"

GENEVA, Aug. 8 (Dome).—The International Labour Office has been transferred from Geneva to Canada.

About twenty officials of the I. L. O. left here to-day en route to the new headquarters.

They will travel to Canada via the United States.

HONGKONG INVITED TO EMPIRE PARLEY

THE Viceroy of India has invited the Government of Hongkong to send a representative to an economic conference of the British Empire east of the Suez, which will open at New Delhi on October 10.

The "Telegraph" understands that no decision has yet been reached regarding the Hongkong representative.

The object of the conference, it is reported, is the reinforcement of material supplies to Great Britain from the Empire east of Suez.

Africa To Follow Suit

A report from Nairobi states that a similar conference of British

colonies in Africa will be held at Kenya at the same time.

Attending the conference at New Delhi will be representatives from Australia, New Zealand, the Union of South Africa, India, Malaya and other parts of the Empire east of Suez, in addition to Hongkong.

In addition to considering ways and means of reinforcing Empire aid to the Mother country, the New Delhi conference will discuss intra-Empire economic unity.

Motor Car Stolen

Major Hardy, R.A.M.C., had his motor car, a Morris saloon, stolen from its parking place outside the Hongkong Cricket Club yesterday.

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BOMBERS FOR STAMPS! If you have any postage stamps you do not want, please send them before August 10 to the Hongkong Philatelic Society, G.P.O. Box No. 227, or c/o Box 504, "Hongkong Telegraph." All stamps received will be sold by auction in aid of the S.C.M. Post Fund. Further details will be announced later. Thank You!

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Shanghai Aug. 8.
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Bantam and Tournai Aug. 9.
Bantam and Saigon Aug. 9.
Haliphong and Fort Bayard Aug. 9.
Java and Manila Aug. 9.
London and Straits Aug. 9.

OUTWARD MAIIS
Thursday, August 8.
Parcels only for Shanghai and Japan. 8 p.m.
Manila 7 p.m.
Amoy 7 p.m.
Shanghai, Japan, Canada, U.S.A., Central and South America and United Kingdom via Vancouver B.C. (Uncles for Canada only). Note—All Mail for United Kingdom will be forwarded with or without superscription.

G.P.O. and K.P.O.
Parcels Aug. 8, 5 p.m.
Rep. Aug. 9, 9.15 a.m.
Ord. Aug. 9, 10 a.m.
Friday, August 9.

Straits and Calcutta. Parcels, Aug. 9, 9 a.m.
Letters Aug. 9, 10 a.m.
Fort Bayard, Hoitow and Haliphong. 10.00 a.m.
Parcels only for Tientsin. 12.30 p.m.
Shanghai 12.30 p.m.
Straits 1.30 p.m.

Saturday, August 10.
Shanghai and Parcels only for Tientsin. 9.00 a.m.
Japan 9.30 a.m.
Straits, Ceylon, India, E. and South Africa, Lisbon and United Kingdom.

G.P.O. and K.P.O.
Rep. 2.45 p.m.
Ord. 3.30 p.m.

*Superscribed Correspondence Only.

Internee Is Charged

Alleged Assault With Four Others

Described as an inference of the Argyll Street Chinese Soldiers' Internment Camp, Ku Ming, 25, was one of five men who appeared before Mr. E. Hinsworth at Kowloon Magistracy to-day charged with assault with intent to rob and possession of arms and ammunition without a licence.

The other defendants were Wong Kam-yan, alias Wong Chiu, 33, Tsang Hong, 31, and Wong Weng-wai, 27. They were alleged to have assaulted Shing Muk at Kowloon on July 31 with intent to rob and to have had possession of two revolvers and 11 rounds of ammunition.

Additional Charge

Ku Ming was also charged with being an "alien" escaping from confinement, on July 7.

Although the case has come before Mr. Hinsworth several times before, this morning was the first time that Wong Kam-yan, first defendant attended Court as he has been in hospital. This morning Wong's left hand was bandaged and there were blood stains on his clothing.

It was said that Mr. B. C. Hobbs will appear for Tsang Hong. The case will be heard at 2.30 p.m. on August 15.

Motor Car And Bus Collide

Lt. K. A. Munro, a.s.a., of Gun Club Hill, reported to the Police yesterday that while driving his car in Castle Peak Road, on Monday, he collided with a motor bus which came from the opposite direction. Slight damage was suffered by his car, but nobody was injured.

865 JAPANESE IN ENGLAND

LONDON, Aug. 7 (Reuter).—The number of Japanese registered with the Police in England is 865, of whom 762 are males, stated Capt. O. Peake, Under-Secretary of the Home Office, in a written reply to Lieut. Col. Sir T. Moore (Conservative) in the House of Commons to-day.

NEW ADVERTISEMENTS

THE HONGKONG ELECTRIC CO., LTD.

NOTICE IS HEREBY GIVEN that an Interim Dividend of \$1 per share has been declared in respect of the half year ended 30th June, 1940 on 600,000 OLD SHARES and will be payable on and after Wednesday, 11th September, 1940. Dividend Warrants may be obtained on application at the Company's Registered Office, P. & O. Building.

THE REGISTER OF MEMBERS of the Company will be CLOSED from MONDAY, 2ND SEPTEMBER, to SATURDAY, 7TH SEPTEMBER, 1940, (both days inclusive) during which period no transfer of shares can be registered.

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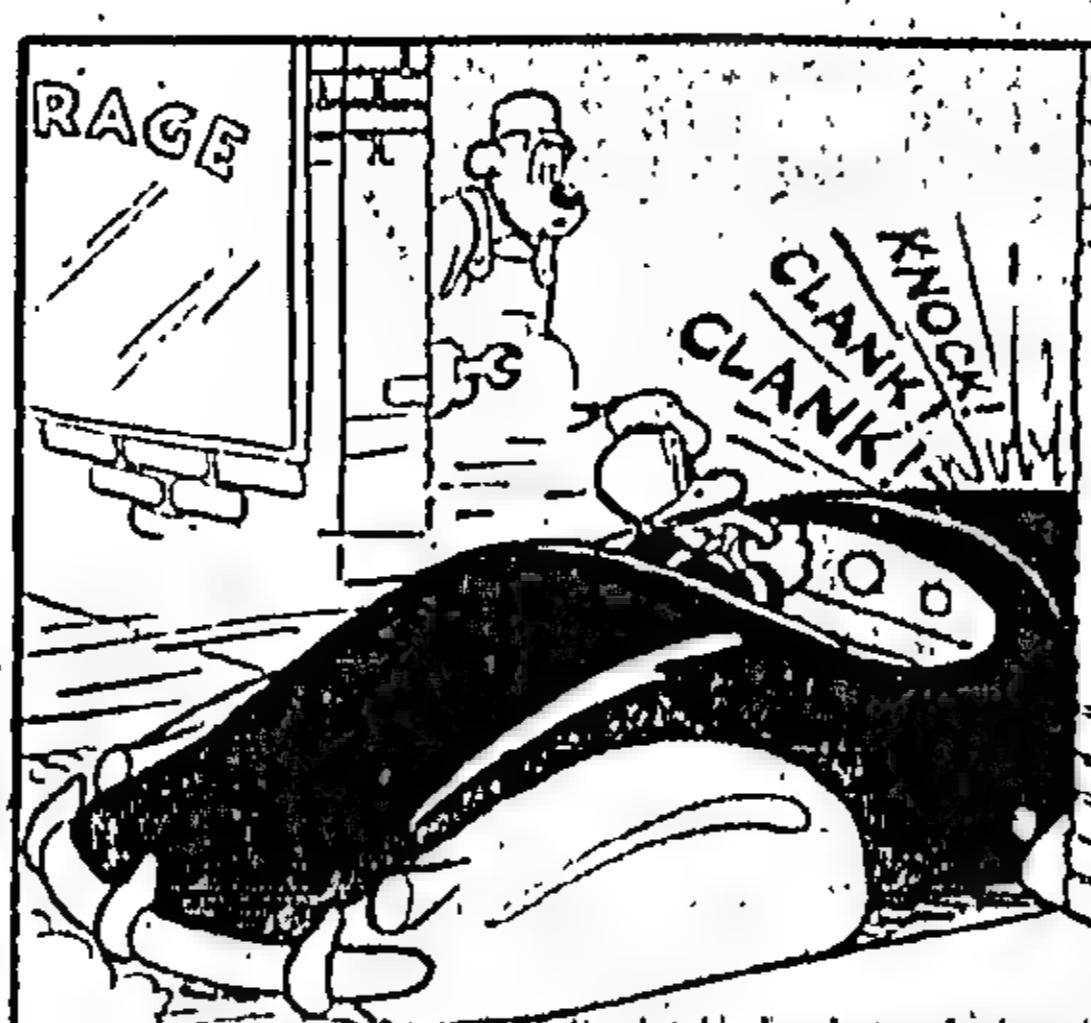
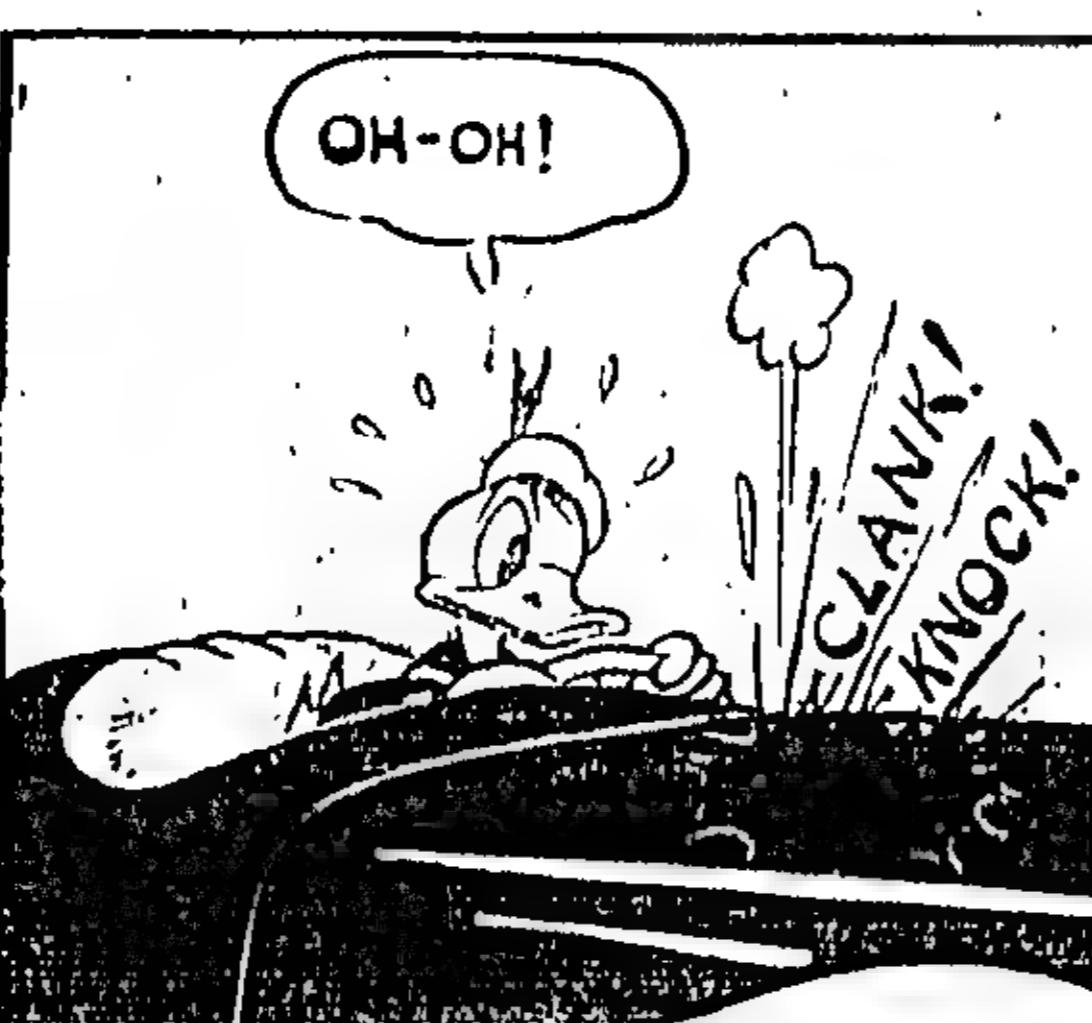
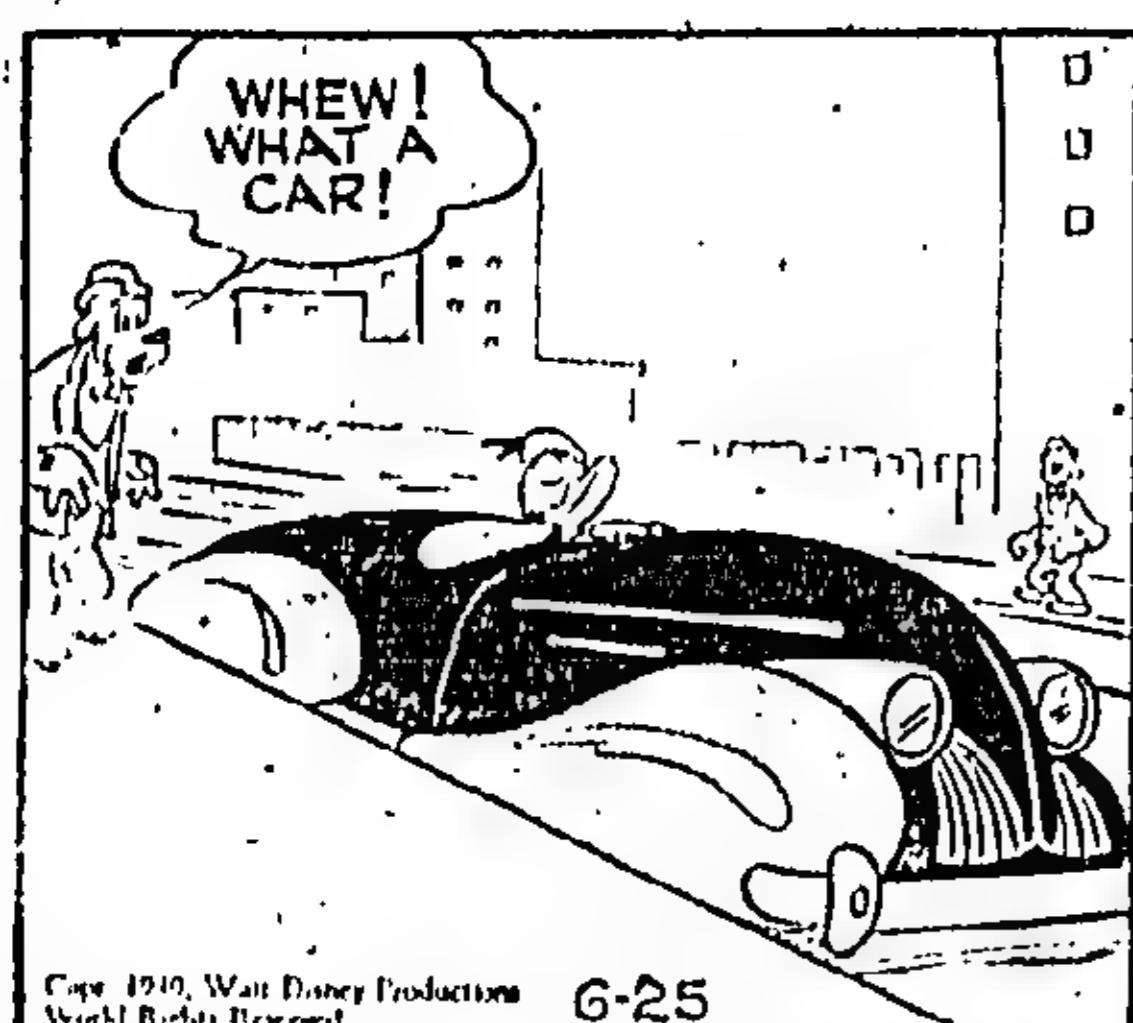
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MAGAZINE PAGE

MEDITERRANEAN
WAR MAP

THIS map shows the area of Europe and Africa affected by the entry of Italy into the war on Germany's side.

Italy has, as the map shows, many possible directions for her initial attacks, but whatever she undertakes will obviously fall into the pattern of German strategy.

Recent Italian claims have demanded Gibraltar, Malta, Suez and Palestine from the British. These may forecast attacks by air and sea. Suez and Palestine are within range of the strong Italian bases in the Dodecanese Islands.

Malta has the fortified Italian base of Pantelleria Island—a close neighbor. Gibraltar would only be in

ports would at the same time offer bases from which to interfere with sea communications—especially with Turkey.

Italian action from her African possessions of Libya, Eritrea and Abyssinia would from the start be handicapped by the impossibility of maintaining supplies by sea; for in any Mediterranean operations the Italians must reckon with British naval superiority.

One thing is clear; Italy, in entering this war with Germany will be the one certain loser. A German victory will leave Italy as much in a state of vassalism to Hitler as it would Britain and France.

The latter would be made with the object of securing the Greek seaports against possible Allied footholds. These

Footnotes to History

Armoured warships have so completely revolutionized naval warfare that the general American reader, knowing the importance of the invention, but lacking knowledge of its true birth, is filled with pride in the feeling that for the first time in history ironclads were used in the struggle to preserve the Union. The bloodless battle between the Monitor and the Merrimac, off Hampton Roads on March 9, 1862, is pointed out as the inauguration of the use of ironclad vessels.

This is not the precise truth. For, in 1855, during the Crimean War, Capt. Cowper Coles of the Royal Navy had ingeniously out-fitted a raft with iron-plated protection, and boasting a revolving 32-pounder that rotated without the use of spikes or tackle. The experiment had been born as a result of the hot fire of the Russian guns defending Sebastopol, but never went beyond the embryo stage.

In the summer of 1861, the Confederate engineers raised a sunken Federal frigate, the Merrimac, after cutting it down to the hull, dressed it in iron plates. This apparent freak created havoc among the Union fleet, threatening to annihilate the entire fleet. But the following spring, Capt. John Ericsson, a Union engineer, constructed the ironclad Monitor as a counter-weapon.

The subsequent battle was indecisive except for the fact that it halted the destruction of the Northern armada by the South. Its greater significance lies in the fact that it ushered in a new era of naval fighting, that of the steel battleship, and sounded the knell of wooden warcraft.

Daily Quotation

THE ELECT are those who put life into one, who give courage to the faint-hearted; hope out of their own heart's constancy.—LADY RITCHIE.

without prospects and scarcely able to scrape together a living. At twenty-eight, he was a millionaire. At thirty-eight, he retired from money-making, resigning all directorships and, later, passing over the controlling interest of the *Daily Express* to his eldest son. How did he do it? He became secretary to a man with great commercial interests, won his employer's confidence by demonstrating a gift for salesmanship and a brilliant trading instinct. Soon, he was handling huge business deals.

He established himself in Montreal as an independent financial source, put through some of the greatest industrial consolidations and reorganizations in the history of Canadian finance.

During one of his visits to London, in connection with financial schemes, Mr. Max Aitken renewed a friendship with fellow-Canadian from New Brunswick, named Bonar Law. A general election was in progress.

Bonar Law, who was fighting a desperate struggle in North-west Manchester, urged Aitken to come and help him in the fight. Aitken, to the astonishment of every financial house in Canada, declared he would do more. He would fight a constituency himself. He became the candidate for Ashton-under-Lyne.

It was absurd. Aitken was a stranger to this country. His opponent was a local man. He had ten days in which to wrest the seat from the Liberals. He got in with a majority of 196.

Max Aitken settled in London. In 1911 he was knighted. In 1914, he was in khaki as record officer for the Canadian forces in France. In 1916, he was working hard to put out Asquith and put Lloyd George in.

Largely as a result of his and Lord Northcliffe's efforts, the transformed War Cabinet, with Lloyd George as Prime Minister and Bonar Law as Chancellor of the Exchequer and Leader of the House, was formed. Sir Max—had already been made a baronet—was rewarded with a peerage and became the first Baron Beaverbrook.

It was in the last year of the war that Lord Beaverbrook took over the paper with which he is associated in the minds of most people. He bought the controlling interest of the *Daily Express* for £17,500. (In the previous year, the paper had lost £40,000.)

Beaverbrook spent hundreds of thousands of pounds, and eight

HERE IS A
FOOTBALL
POSER

FOUR teams—the Lions, the Tigers, the Panthers and the Bears—formed a miniature football league.

Each team played one match against each of the other three, two points being awarded for a win and one point for a draw.

Eleven goals in all were scored, five of them by the Lions. In their match against the Bears, the Lions won by two goals to one.

The Tigers amassed five points in all; the Lions, three points; the Bears, one point.

What was the score in the game between the Bears and the Tigers?

SOLUTION

The Tigers beat the Bears 1—0.

This is a problem in deduction. 1.—It will be found that the Tigers must have won against the Lions, otherwise more than 11 goals are required.

2.—Also all the Panthers matches must have been pointless draws.

3.—One goal is left unaccounted for; and, since the Tigers won their third game, the result must have been as above.

launched the abortive Empire crusade, which resulted in Mr. Baldwin's plaint that Lord Beaverbrook had a "personal vendetta" against him.

In its headlines, he assured his readers that there would be "no war this year or next year." And since the war started his pen has been hard at work. Beaverbrook has often been wrong, but he has never been beaten. At the age of sixty-one this month, he tackles the job of his career. We may all be thankful that he has agreed to do so.

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FACE-FLANNELS	3 for \$1 and 4 for \$1.
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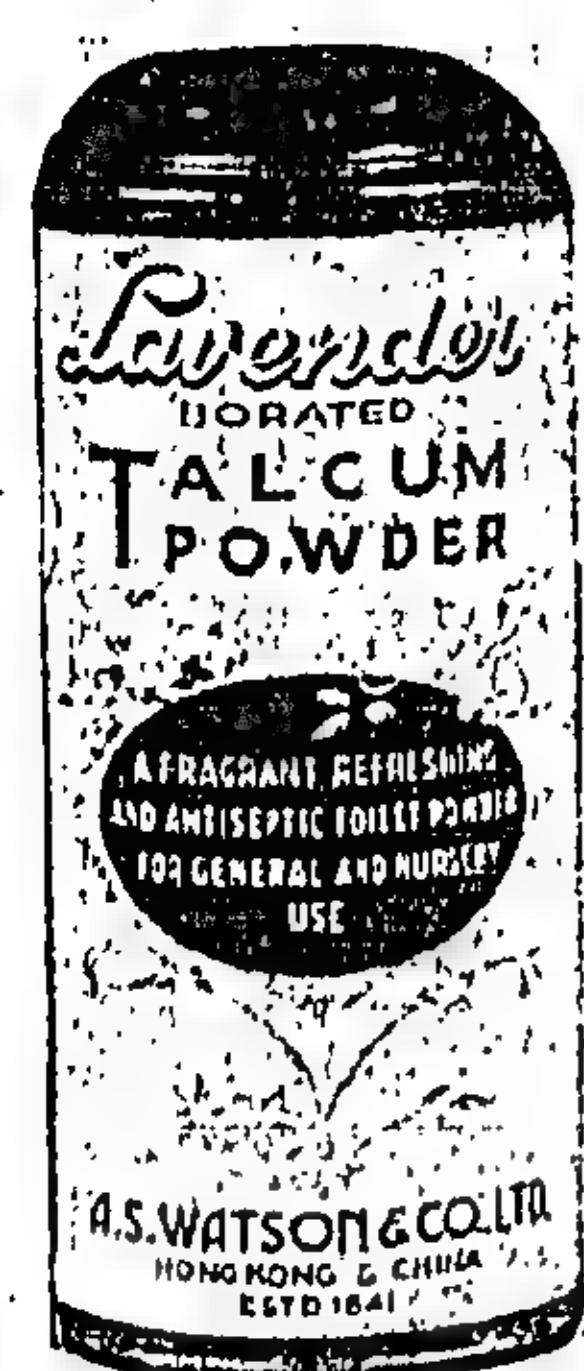
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The Hongkong Telegraph.

Thursday, August 8, 1940.

Wyndham St., Hongkong

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THE prefix "Special to the Telegraph" is used by the "Hongkong Telegraph" to indicate news items received from its own journalists and the evolution of the telecommunications Ordinance, 1930. Such news as bears the indication "U.P." is received by the "Hongkong Telegraph" Association, which reserves all rights and forbids republication, either wholly or in part without previous arrangement.

**SOMETHING TO
THINK ABOUT**

Japan has apparently decided on a change in policy and is contemplating action which she feels will realize her aims. One naturally asks what are the prospects for her in this quest for hegemony in Asia. She starts off with a comparatively empty treasury and facing an embargo on essential materials—aviation spirit and scrap metal which hitherto she has been able to import from the United States. Fifty-six per cent. of her requirements come from that country.

This seems to indicate that Japan's trade must immediately suffer eclipse since her merchant ships could hardly expect to trade with Europe, India or Australia on anything like the same scale. Japan more than any other nation depends on trade for her internal economy. Unlike China she is not self-supporting, and she cannot divert the materials she requires from China, now so bitterly hostile.

Japan's greatest anxiety must be her precarious position in China, where she can neither complete her task of conquest, nor gracefully withdraw from the unhappy adventure. The more anxiety she displays in trying to conciliate China, the more she acknowledges her own weakness. Japan cannot hope to win over China to her side after the way she has mercilessly and ruthlessly destroyed her cities, and rendered millions homeless.

It is the business of statesmen to envisage the future, and the wisest of them are those who take into their purview the numerous factors which are at work moulding that future. If an important element is omitted, then the policy which is followed lends not to good fortune but disaster. The factor which Japan cannot ignore in the estimate they make is the policy of the United States. So far they know that the United States will not view with indifference any alteration in the status quo of the Netherlands. Mr. Cordell Hull the Secretary of State, has made that statement and has not retracted it.

There is no reason to suppose that Germany or Italy would allow Japan to retain any conquests if they were successful in Europe, and certainly she could not hold them if they were not successful. What must give Japan further cause for fear is the fact that Germany's much vaunted attack on Great Britain has not materialised, and so much was the situation changed that such an attempt at landing would now be almost welcomed in the British as it would give the army of the Empire an opportunity which it really seeks.

Britain's sea power is unquestioned and is growing stronger, and at the end of the war will be of enormous strength; for quite clearly the Italian fleet cannot destroy it and the Germans have not the means of doing so. That is the first reason for the delay in the "Blitzkreig". The second is the destructive power of the British Air Force, which is relentlessly, day and night demolishing

DEAR JOHN,

NOW that normal life is about to be interrupted and neither of us can be sure when or where we shall next meet, there are one or two things I feel I should like to say to you.

We are both fortunate that you are still at school while the world is occupied in turning itself upside down. When the time comes for it to right itself again, you will have a tremendous part to play—however small, it will be tremendous. Seeing what a mess my generation seems to have made of its job (although the fact that 50 nations joined in sanctions against Italy in 1935 shows how near we got to our goal of abolishing War), we haven't the right to tell yours anything; you must find out for yourselves.



Historically, my generation doesn't matter in the slightest any more.

We are the past. You are the future. The qualities you will most need in the next few years are self-reliance and adaptability. The world you are growing up into will be a very different world, and a hard one. It will demand discipline of you, and service, and I know you will give them, because I have noted the beginning of a new spirit moving in you and your friends.

I was born just too soon to avoid expecting a measure of certainty from life—peace, social stability, even a degree of enjoyment seemed a part of one's birthright. You will at least not make that mistake! And as the small ones were concerned to fight for their freedom when the time came.

But growing detestation of war, bred from their experience of the suffering and futility of the last one (and coupled with the tremendous change in outlook brought about by the growing ease of communications, which makes national boundaries look silly) has set in motion something historic.

Peoples have begun to question whether national sovereignty is any longer the supremely important thing it was. Hence their half-heartedness about its defence. I say "be-gum," because it was, at the time it was caught, only a partially-formed, almost sub-conscious idea. This gave it a force it chance. But the tendency is good.

The small Powers have been caught midway in a tremendous political movement—but the end of the movement, don't you see, is Federation. What, for the moment, has proved a decisive weakness contains the seeds of strength and sanity. And it will develop.

**LETTER
TO
MY SON**

Besides, don't forget our talks about what Freedom is. It is by no means the same thing for you and me as it is for Clegg, the roadmender, or for the miners' sons you were in camp with last summer. There must be suffering and darkness first, but out of the new dispensation, in the end, a new freedom will spring, and a better freedom. Revolution is always cruel, but it is seldom barren.

And the suffering and darkness are probably necessary now. We have earned them with our indecision. You know the tag about a people getting the Government it deserves. I have never thought that true; but if one were to judge the democracies by their rulers, one would certainly have to call them effete. Complacent, unimaginative, indifferent to suffering at home or outside—too comfortable, in fact.

Our rulers have foreseen nothing. To-day France and ourselves are calling on America. Yesterday China, Abyssinia, Spain, Czechoslovakia called on us—and got no answer. We are left to fight alone now because we would not fight together when we had the chance and the duty. All the democracies have let down all the other democracies: the only thing they have done collectively is to suffer from a common atrophy of will.

The decent people of this island don't deserve such rulers—though, perhaps, some of us who saw what was happening and tried to say so were not faithful enough in our protests: when normal channels of publicity proved insufficient we didn't throw up our job and go out into the streets and factories to agitate and organise.



WELL, now—whatever happens—there is going to be a radical change. Good-bye to all that. And this it is that fills me with hope and even a kind of joy, though I suppose we are about to see the end of many things that I personally treasure.

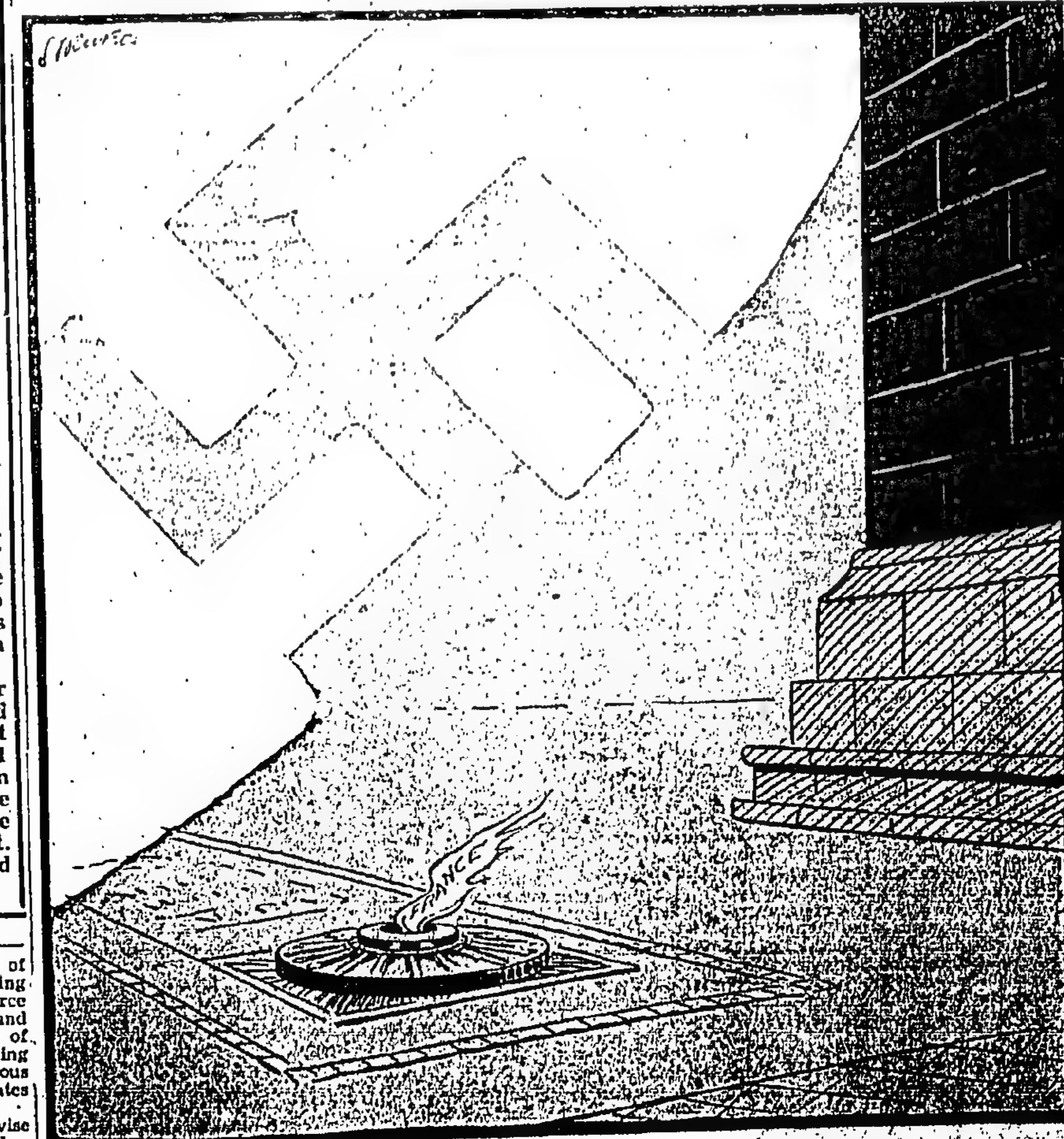
We have often agreed that this is a war of ideas, but so far all the ideas have been on the other side. That is why the other side has out-marshalled us at every point in the game. There has been no inspiration here—and, since Munich, too little conviction.

Well, now it is the people's turn. What we need to arm ourselves with in this country to-day is not only guns but brooms. And when both the guns and brooms have done their job, you and your friends can get busy on the site that has been cleared and start building a new world.

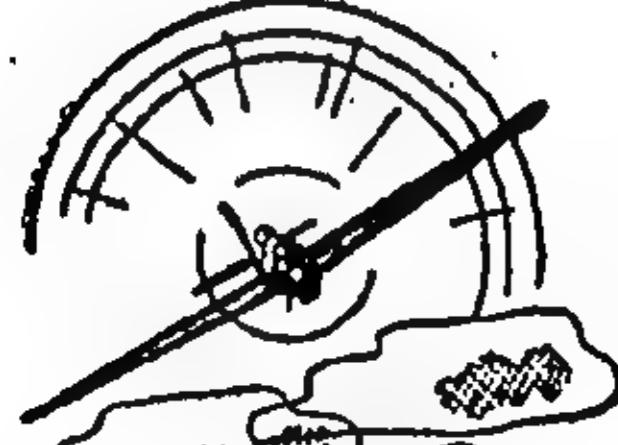
I hope you'll do well in the swimming next Saturday.

Your affectionate—

FATHER.

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Germany's inadequate stocks of petrol, and at the same time making her ports untenable. That air force is not only superior in skill and courage, but also in quality of machines. These machines are being added to monthly by the enormous output in Britain, the United States and in Canada.

These are factors that a wise Japanese statesman will consider before he embarks upon a policy which is fraught with such danger.

UNDYING FLAME

SHIPPING GAINS

Britain Adds 10,000,000 Tons To Her Service

LONDON, Aug. 7 (Reuter).—As a result of the German invasion of Poland, Norway, Denmark, the Low Countries and the collapse of France, the shipping strength of Great Britain and the Dominions has been increased by over 10,000,000 tons dead weight.

This was disclosed to-day by the Ministry of Shipping.

It is pointed out that not all these ships are being used in trade with this country, but are distributed all over the globe, free to engage in every kind of trade except contraband with the enemy.

About 5,500,000 tons are Norwegian, 3,000,000 long Dutch and 500,000 tons under the control of the Belgian and Polish governments.

All are ships of 500 gross tons or more.

Under Ministry's Control

In addition, there are now, under the direct control of the Ministry of Shipping, three important categories of foreign shipping.

Firstly, there is the Danish shipping seized for British service, amounting to about 500,000 dead-weight tons. Because of the circumstances in which the independence of Denmark was extinguished, there is no alternative to transferring these ships to the British flag.

Secondly, French shipping under British control amounts to about 500,000 deadweight tons. In order that they be free to assist the common war effort, these ships were requisitioned after France's signature to the armistice. They will sail under the British flag but will also fly the French flag.

The Ministry adds that many French officers and seamen have accepted Britain's offer to remain in employment in these ships on the same terms as British officers and seamen.

Thirdly, there is a great number of ships of various neutral countries on time charter to the Ministry of Shipping. They now amount to 1,250,000 deadweight tons.

Thyssen Works Disorganised

Telling Effect Of R.A.F. Raids

LONDON, Aug. 7 (Reuter).—A neutral journalist, who has been allowed to see some of the results of the bombing of the Thyssen Works near Dusseldorf, reports that he was told that the Works and vicinity have been raided 28 times and Dusseldorf 18 times during the past three months.

Factory officials told him that 20 workers went to air raid shelters during the raids. Many German factories start work later so that the workers can make up for the sleep lost during air raids.

Laboratory Badly Damaged

He saw a laboratory which was badly damaged by one bomb during a three-hour raid on June 16.

German Air Force Officers told him that an area of 1,000 square yards had to be cordoned off around any R.A.F. bombs which did not explode.

He was also told that plans have been made to move 40,000 workers to new quarters if the R.A.F. raids are intensified.

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Imagin His Embarrassment
...HE'S GOING TO HAVE
the BABY!



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NEXT CHANGE
AT THE
KING'S

STRENGTHENING SINEWS OF WAR

→ FROM PAGE ONE

famine, for which his aggression and conquest are responsible, has condemned considerable areas of his newly-seized territory.

A multitude of refugees have tramped on growing corn. His tanks have devastated much of the country side and his own crops are not very good this year. Next spring he will begin to feel the pinch of the food problem even more seriously than now. He will continue the making of war material but some of his chief industrial areas and aerodromes have suffered very heavy punishment.

"Oil refineries, stores, railway junctions, marshalling yards, docks, and ships have been and will continue to be targets for our deadly bombing planes night by night, week by week, more heavily as our bombing strength increases."

Heavily Damaged

"His output undoubtedly has been very seriously interfered with. It will be difficult, if not impossible, to repair the damage to productive enterprises, lines of communication, etc., for a considerable time. He will need to draw more and more on his reserves and the more vigorously he prosecutes the war the more rapidly his stores will disappear."

"He will find it increasingly difficult to replace the losses. Measures have been taken to ensure that Hitler shall not draw sustenance from foreign sources. Not only Germany but the controlled territories will be unable to carry on trade on any scale with the outside world."

Extensive Blockade

"The blockade operates over a wide area which must become more and more impoverished as its trade arteries are cut. Hitler will continue to seize all food and materials he can from the over-run territory, but once he has despoiled his victims, his supplies will either cease or become less plentiful."

"Hitler boasts that he possesses unlimited quantities of iron. Iron he possesses in great quantities and he probably has no need to fear a shortage of aluminium. But the actual situation is different and his supplies henceforth will be seriously short. He may sit upon mountains of iron ore but he has not the coal whereby it can be smelted, it will not be of first class military value."

"In a normal year this country exports some 30,000,000 tons of coal to the continent of Europe. None of that henceforth will fall into the hands of Germany."

"As regards oil, of 20,000,000 tons normally consumed throughout Hitler's territories per annum, he can hope to produce or procure not more than one half."

Strain Will Be Great

"These are mere pointers to the situation in which Hitler finds himself economically. If and when the pinch comes as it will sooner or later in a 100 different directions, it is more than doubtful whether the subdued people of Germany and other lands will be able to stand the strain. Yet we must not for a single moment underestimate the power arrayed against us."

"The German mind and strength have been devoted to one single purpose—preparation for the strongest and most terrible fighting force the world has ever seen."

"The German economic system has been for some years on a war footing. We must remember that we have not yet felt the full brunt of Hitler's blow."

"We have proved that we are capable of becoming as efficient for war purposes as the dictator, but we are still in the process of the change-over from peace to war economy. We have got to make the best of our resources which must be directed to the national life and effort necessary for a victorious conduct of the war and the maintenance of a national spirit."

We Intend To Win

"We intend to win this war. The Government do not intend to allow the limit of its prosecution to be anything else than the whole resources of manpower, industrial capacity, finance and foreign assets at our disposal. To achieve the maximum effort, we must plan our economic strategy with the view to the best co-ordination and co-operation of all the agencies concerned."

Mr. Greenwood then detailed the new arrangements made for consideration of a number of economic problems and co-ordination of their economic effort, saying that each main group of problems was dealt with by a sub-committee composed of members of the War Cabinet and the ministers in charge of the departments concerned.

Serious Problem

One of the most important factors in the effectiveness of their economic warfare was to deal with the serious problem of surplus overseas commodities in such a way as to make them an advantage to Britain and a disadvantage to the enemy.

The collapse of France greatly increased the difficulties of production and "we will give complete priority to those essential weapons of war which will provide maximum resistance to the enemy in the shortest space of time. There is need to keep in our minds the possibility of a long war."

"Priority has not worked as well as it should, but having had to make this great spirit for immediate war purposes we are now considering further measures to ensure as far as possible that materials, plants, and labour are effectively used to carry out the production programme."

Industrial Capacity

Mr. Greenwood then dealt in detail with the industrial capacity and organisation and said that provision had also been made against the destruction of factories from the air, with plans for rebuilding and for moving of reserve plants.

He recalled his statement on July

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BUYING

4 m/s L/C London	1/31%
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4 m/s France	Nom.
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U.S. Cross rate in London 4.03%
U.S. Cross rate in N.Y. 3.03%

CONFIDENT CAN STOP ITALIANS

→ FROM PAGE ONE

probably advance along the coast on Alexandria.

Italians Forcing The Pace

CAIRO, Aug. 7 (Reuter).—A communiqué issued to-day states that on August 5 an Italian column entered Zeila unopposed. On the same day Hargesa was captured by a strong force which included tanks, artillery, machine-guns and aircraft.

Our delaying force fell back after inflicting severe casualties, including three tanks.

Our casualties were slight.

Odweina Occupied

On the morning of August 6, Odweina was occupied by the enemy with infantry, guns and armoured fighting vehicles at 8 p.m.

A small motorised force of the Somaliland Camel Corps harassed the enemy, themselves suffering no loss.

Palestine Warfare

As regards Palestine, enemy aircraft again raided Haifa on the morning of August 6. A number of bombs were dropped, nearly all of which fell harmlessly in the sea or on waste ground in the town.

Military casualties were nil. Civilian casualties were under ten.

Anti-aircraft defences came quickly into action and opened a heavy fire on the raiders.

On the Western Desert, some enemy movements are reported. Otherwise all is quiet.

Offered As A Gift

LONDON, Aug. 7 (Reuter).—Regarding the Cairo communiqué, it is stated in authoritative circles in London to-night that Zella, which was offered to Italy as a gift in 1938 and was refused, was undefended.

The Italians have now to get along the coast road to Berbera, a distance of 150 miles.

British resistance. It is stated that begin in the hill country beyond Hargesa and Odweina.

experts and the civilian needs, he asked.

Mr. Shinwell declared that according to a reliable estimate Germany has 780,000 men and women training for industry, while we had 28,000 trainees and we envisaged 40,000 being trained this year.

Mr. Shinwell proceeded to talk about unemployment and under-employment in Britain, and suggested that instead of allowing miners to remain unemployed the Government might finance the building up of huge stocks of coal, or divert the miners into the war industries.

He also suggested that in order to meet a German attack on shipping, docks and harbours on the west coast should be improved and in order to develop a large export trade, manufacturers and export companies should finance it. An individual effort modified or replaced by a full-blooded system of collective production.

Mr. Shinwell added that we could not rely too much on the United States who might be embroiled in a war with Japan. It was better to assume that we must rely on ourselves and to organise accordingly.

Not Very Convincing

Sir George Schuster (National Liberal) said that Mr. Greenwood's account was not very convincing and he urged that the first step should be to establish a central directing authority, and that we should align with the American countries to build up a satisfactory economic regime for the war period to give the inhabitants of these countries a satisfactory basis of life and to deny to their enemies what they needed.

Rest Of Debate

Mr. J. C. Wedgwood urged the need of finding markets for our surplus products, giving as instances Gold Coast cocoa and Straits tin and rubber.

Mr. Ernest Bevin, the Minister of Labour, declared that there was a plan for labour and the plan was working. He said that "while the Government was doing all they could to train men for industry, they were not getting all the help that they might from industry itself."

He concluded: "While we may make mistakes in judgment, we are planning towards securing final victory."

Reply For Government

Mr. H. MacMillan, Parliamentary Secretary to the Ministry of Supply, replying to the debate on economic organisation in the House of Commons, said the Government's task was even more complicated than turning over to war economy, because war economy itself had to be adjusted to rapidly-changing strategic and tactical considerations.

He could not announce the broad ambitions of a large-scale economic plan. The vast scale of events must be borne in mind and the first definite plan was to give every show of our strength to preparation for the next few weeks and months.

Then it might be possible for the ministers to give in a more completely worked-out form the general system which they were gradually bringing into being over a wide sphere of our national economy.

He concluded: "We have to make the best of what we have."

THE WAR FUND

A total of \$1,301,214.55 was reached yesterday by the S. C. M. Post, Ltd.

Latest subscription: Mrs. A. H. de Reza, Macao 2

LONDON, Aug. 7 (Reuter).—Sir Kenneth Lee, Director-General of the Ministry of Information, has resigned and is succeeded by Sir Frank Pick, formerly a member of the London Passenger Transport Board.

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GIVE YOU THE

Bradman's First 100

Don Bradman hit the first of his many Test centuries in this country at Nottingham, but, in spite of that, England won this first match of the series by 93 runs.

Wanting 420 to win, Australia had 229 for 3 on the board and Bradman and McCabe well set. The game swung round when Copley, an unknown boy fielding substitute for Larwood, made a wonderful catch to dismiss McCabe. Tate bowled 50 overs (20 maidens) for 69 runs and 3 wickets.

BACK-STROKE RECORDS FOR ADOLPH KIEFER

New Marks Added To Series of Triumphs

SANTA BARBARA, Calif., July 6.—Adolph Kiefer of Chicago rewrote the record book for back-stroke swimming to-day.

Performing for the Towers Club of Chicago, the big lad was credited with breaking almost every back-stroke mark in the book in sensational burst of speed that capped another brilliant exhibition in the men's national A. A. U. outdoor swimming and diving championships.

Kiefer captured the 110-yard back-stroke race as expected, and here's what he did:

His time for 110 yards was 1 minute 5.5 seconds. His time for 100 yards was 58.1 seconds. His time for 100 meters was 1.04.7.

FORMER RECORDS

A SEARCH of the A. A. U. records disclosed.

Kiefer established the old 110-yard record—a new distance in A. A. U. competition. His time was 1.05.6. Kiefer held the former 100-yard record of 58.8 seconds, set in Columbus, Ohio, in 1939. He held the 100-meter record of 1.04.8, set in Detroit in 1938.

All these records were hung up in a short or 25-yard pool, which gives a faster edge because a swimmer can come off the walls and gain time. The race was over a long or 55-yard route.

The long course record was set by Kiefer at Coral Gables, Fla., in 1935. It was 1.05.0 for 100 meters.

NEW RECORDS

THUS Kiefer, long the world's greatest back-stroke swimmer, hung up new records for Kiefer to break.

The 200-pound artist was not the only record-breaker. The four-man team of the Island of Maui, Hawaii, won the 880-yard free-style relay in 9.17.3. Three years ago the Lake Shore Athletic Club team set the old American record at 9.20.

The quartet, boasting two brothers, newly crowned as A.A.U. champions, moved the Hawaiians nearer the hope for team championship.

SUCCESSFUL COME-BACK

KIVOSHI NAKAMA of Mauli's Alexander Community House, dethroned two days ago as the 220-yard champion, came back and took

Godiva's Great Win In The Oaks

LONDON, June.—My greatest regret is that Godiva did not run for the Derby. She must have won. She is the finest racer I have ever seen." That is how trainer William Narvin summed up Mr. Harmanworth's filly after Godiva had won a great victory in the New Oaks at Newmarket.

He did no more than bare Justice to Godiva, who in the opinion of many put up the best Oaks performance for more than a quarter of a century.

Closing a mile and a half race at Newmarket is impossible, but all who tried agreed that Godiva put up good time. To do that she overcame the disadvantage of losing a length or two at the gate, and yet beat all the best fillies in the hind points.

Douglas Marks took her to the front half a mile from home, and though challenged by Golden Penny and Silver Luce II she never appeared in danger of defeat.

She beat Silverlace II by three lengths and Golden Penny conceded three place to Valentine.

So good does Godiva now appear that even Djebel would have to do all he knows to beat her.—Our Guest Correspondent.

SCRAPPY WATER POLO

European Y.M.C.A. yesterday beat South China Athletic Association by two goals to two in a very scrappy water-polo match in the "X" pool.

Upon passing by the visitors, who had a man unmarked and on his own on three occasions in the deep end cost them three certain goals. Y.M.C.A. were little better and while defending the deep end marked very poorly. G. H. Fowler, E. W. Rofford, G. T. May, R. A. Dodd and J. H. Chater scored for the home team, while Henry de Sa and Lionel Lo replied for South China.

South China will meet H.M.S. Thrasher at 8 p.m. to-morrow in the European Y.M.C.A. pool, while a Y.M.C.A. team will meet a Service team.

the 440-yard free-style in 4.50.4. He was an easy winner over Paul Herron of Los Angeles and the third-place finisher, Henry Paris of San Francisco, Ralph Flanagan won the title in 1939 but did not compete this year.

Defending Champion Jim Skinner of Detroit, University of Michigan star, had little trouble retaining his 220-yard breast-stroke championship, but failed to break a record. He was timed at 2.48.8.

Most Sensational Derby Of All

ON JUNE 4, 1913, was the most amazing Derby of all time. Fifteen horses went to the post, and just before Tattenham Corner was reached, a woman identified with the Suffragette Cause threw herself in front of the King's horse, Anmer, and received injuries from which she died two days later. The horse was unhurt and the jockey Herbert Jones, escaped with a severe shaking and a broken rib.

It was a great race between Cragnanour and Aboeour, the first named getting home by a head with Louvois a neck behind. Cragnanour was 100/1 and Louvois 10/1. The time was 2 mins. 37.1 secs.

But immediately after the race the Stewards on their own initiative disqualified Cragnanour and awarded the race to Aboeour!

The following notice was issued: "The Stewards objected to the winner on the ground that he jostled the second horse. After hearing the evidence of the judge and several of the jockeys riding in the race, they found that Cragnanour, the winner, did not keep a straight course; and interfered with Shogun, Day Comet and Aboeour, having bumped and bored the second horse they disqualified Cragnanour and awarded the race to Aboeour."

How, under the circumstances, J. Reiff the jockey, was allowed to go without censure was a matter for general comment.—Our Own Correspondent.

Soccer Clubs Doubt Ability To Carry On

LONDON, Aug. 1 (Reuter).—Many leading Association Football clubs have been thinking seriously of whether they will continue to operate next season—even if military conditions permit continuation of sport. The reason for this is that many sustained big losses on last season's workings and they feel they could not stand a repetition.

Only one big club so far, Bolton Wanderers, has definitely decided not to carry on next season. The ground staff has been dispensed with and notice given to the club Office Staff.

Bolton have published their balance sheet for last season showing a loss of £5,923.

The big clubs have suffered more than the smaller ones this season. They have much larger overheads.

Unwanted Horse Wins Blue Ribband

LONDON, June.—The Derby of 1940 will go down to history as the race which was won by the unwanted horse. It is doubtful whether the true story will ever be written.

Before Fred Darling paid £500 for Pont l'Eveque he had been offered to several other people. I fancy the first person to whom the colt was offered was Matthew Peacock, the Yorkshire trainer, and the price was £250.

That was before the colt ran second to Liberated at Newmarket. Subsequently the price went up to £2,500, and a London owner told me she turned down the offer.—Mr. H. Morris could not have had a very high opinion of Pont l'Eveque when he was a yearling, as he was not nominated for any of the classic races. Now was Lighthouse II, in my opinion, a classic race, yet on merit they were probably the two best colts in the Derby field.

As regards the race itself, Pont l'Eveque proved stouter than Turkin and Lighthouse II. I would only say that if Pont l'Eveque had not been an outstanding performer he would have been beaten. First or second all the way, he was being put to his best pace half-a-mile from the finish.

Once Lighthouse II almost got on terms, but in spite of the fact that he had been on the stretch for a considerable time it was Pont l'Eveque who found the extra bit which made all the difference. That is the test of the true stayer, and as such we accept the Derby winner.—Our Own Correspondent.

Remember Larwood?

HAROLD LARWOOD, who took part in the 20-overs-per-innings match at Nottingham, bowled three overs for 16 runs without taking a wicket.

Reports say that the one-time England fast bowler found difficulty in getting a foothold and one fears that Larwood will always be feeling the acute physical effect of his last memorable tour to Australia in 1932-3.

Jel. 28151.

AFTER SALE BARGAINS

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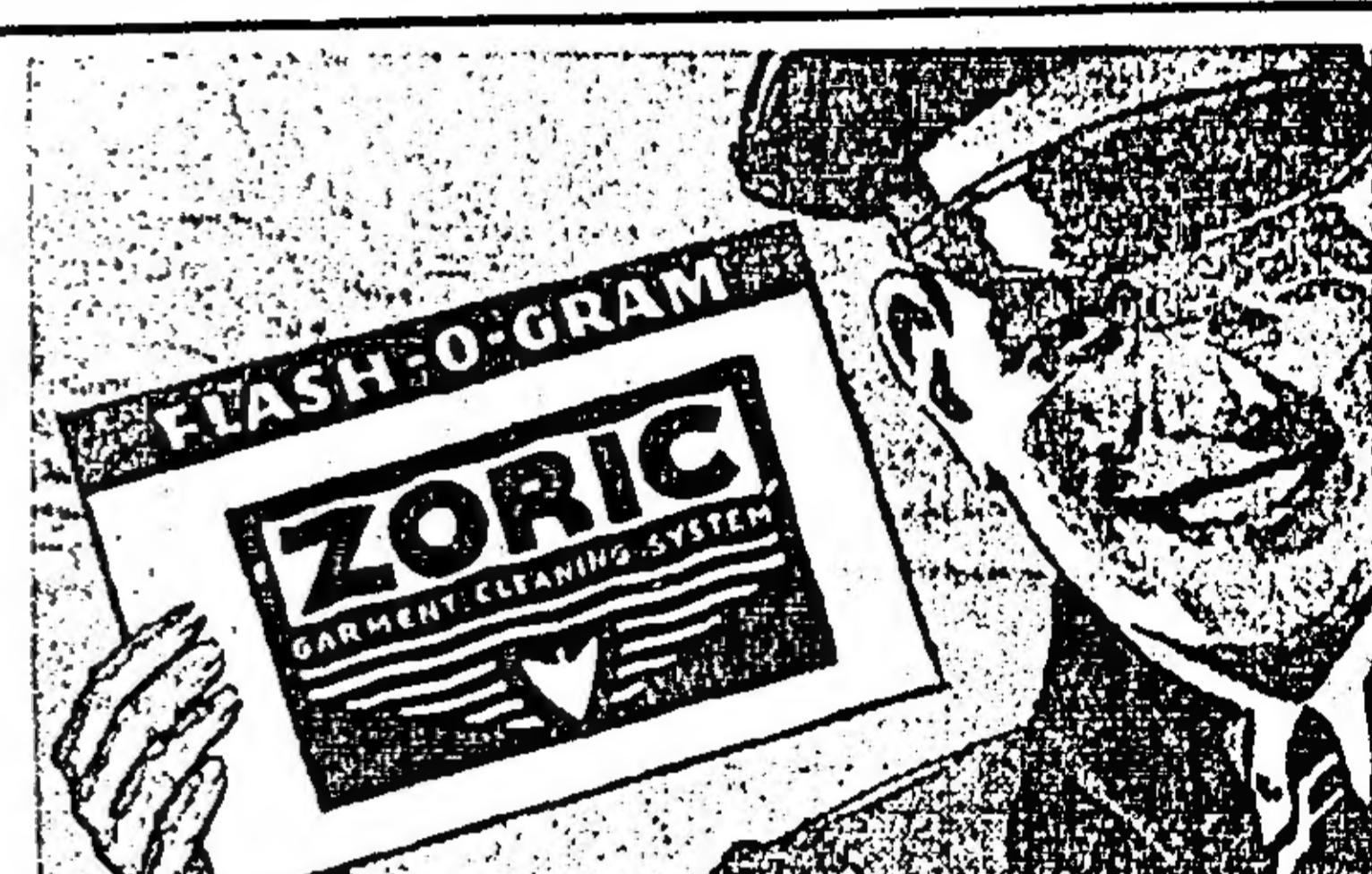
MORLEY'S "PUKKA" LIGHT-WEIGHT COTTON GREEN, RED AND BLUE. Sizes 34" to 40" \$4.00 each

"COOPER'S" ART SILK IN FAWN, GREEN, BLUE AND WHITE. All sizes \$3.50 each

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NAZIS TO BLAME IF THERE IS A FAMINE

LONDON, Aug. 7 (Reuter).—While authoritative London circles still maintain their previous standpoint that acute local food shortages in Europe this winter may become a distinct possibility, they assert that if such famine should occur it inevitably will be in direct consequence of the Nazi inability to distribute the supplies of foodstuffs which they themselves have always claimed to hold in reserve and that only Nazi rapacity and inability to maintain proper communications can be blamed.

Official Nazi statements have repeatedly emphasized the huge food reserves held by Germany and Italy and the areas under their control.

The official German wireless on June 27 stated that while the Hoover plan for the relief of Belgium, France and the Netherlands is doubtless "worthy of commendation," the German authorities themselves have already taken all the necessary steps to ensure feeding these peoples.

"Limitless" Supplies

Among many other instances of this assertion, Hitler in his Reichstag speech on July 19 said that Nazi supplies of food were "limitless." Germany entered the war with a re-

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ROMANCE GIVES EVEN WAR CLOUDS OVER EUROPE A THRILLING SILVER LINING!

The exciting star of "Wuthering Heights" as a gay young blade bating a world-wide network of espionage

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(Star of "Wuthering Heights")
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RALPH RICHARDSON
(Star of "The Cid")
VALERIE HOBSON
Screen play by Ian Dalrymple
Directed by TIM WHELAN

A Columbia Picture

MINE-SWEEPER IS SUNK

LONDON, Aug. 7 (Reuter).—The Admiralty announces that the mine-sweeping trawler River Clyde was sunk by an enemy mine. The next-of-kin of the casualties have been informed.

It's an uphill business getting your strength back after serious illness or operation. There's only one thing that can help you—nourishment, plenty of it. But your stomach is as weak as your legs and you hate the thought and sight of food.

Doctors save the situation time and again by giving the convalescent patient Horlicks. It is food in a form which places no strain on the exhausted digestion—and its pleasant flavour restores the jaded appetite.

Horlicks is a complete balanced food, containing all the elements needed for filling out the wasted body with healthy flesh and repairing tattered nerves.

Thousands of people owe their quick recovery to the abundant vitality and energy that Horlicks has poured into their veins. Get Horlicks from your store today. Always keep a supply in the house.

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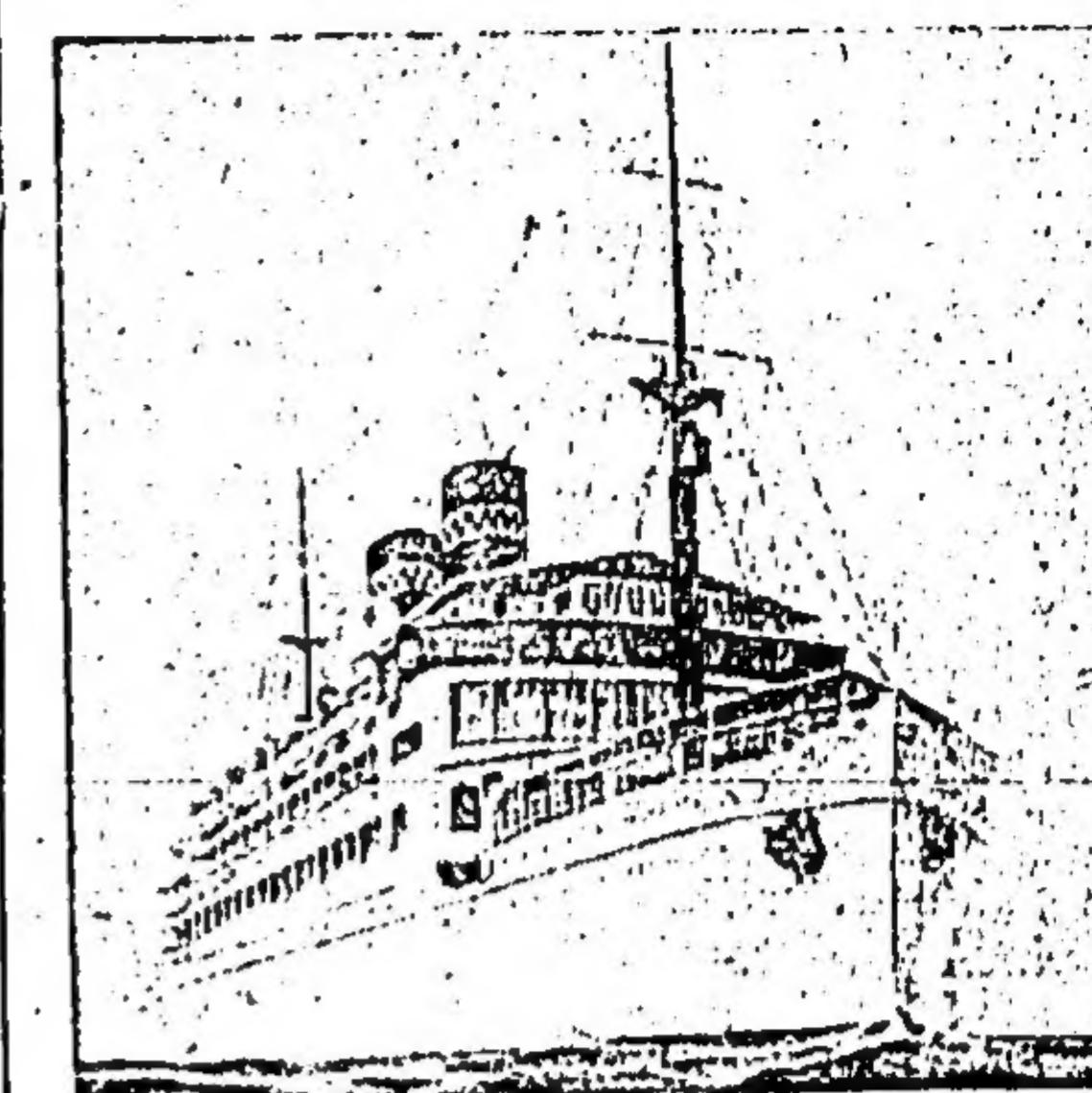
By Ernie Bushmiller

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"Might I enquire, Sir, whether you have recently visited Spitsbergen or Baffin Island?"
"Of course I haven't."
"Then don't you care interested in some commercial form of refrigeration — chilled beef, for instance?"
"Nothing to do with it."
"In that case, Sir, you will have no objection to closing that window. It is exceedingly cold, and the draught is ferocious."
"I beg your pardon, Sir. I'm terribly sorry. Fact is, I've a most appalling headache, and the coal air does it good. I attended a most enjoyable party last night, and I'm feeling much the worse for it."
"My dear fellow, why didn't you say so at first? Trouble is, it's so long

TO BUY EGYPT'S COTTON**British Government Appoints Commission**

LONDON, Aug. 7 (Reuter).—The establishment of a commission with powers to purchase Egypt's cotton crop was announced by Mr. R. A. Butler, Under-Secretary for Foreign Affairs, in the House of Commons to-day.

Mr. Butler declared that anxiety had been growing for some time in Egypt regarding the disposal of the 1940 cotton crop, the picking of which was about to begin.

Avoiding Economic Disaster

Owing to the great reduction of the demand due to war conditions and difficulties of export, danger was imminent that the bulk would be left unsold in the hands of the cultivators, which would be an economic disaster.

On representations by the Egyptian to the British Government, the latter accordingly decided to respond by setting up a commission to purchase cotton. On this commission the Egyptian Government was being asked to nominate a representative.

This commission would be prepared before April 30, 1941, to purchase all lint and cotton derived from the 1940 Egyptian crop or as much as was offered to them and all mercantile cotton seed as distinct from sowing seed.

Britain To Bear Cost

The British Government would bear the whole or any net loss which might arise from the transaction as a whole, but they would share equally with the Egyptian Government any net profit which might accrue, on the understanding that such profits as may be retained by the Egyptian Government under this arrangement would be used by that Government for the relief of cultivators in a manner to be agreed on between the two governments.

Asked if the Egyptian Government, as an ally, was co-operating to the fullest extent in this matter, Mr. Butler replied amid cheers: "We take that for granted."

Absorption Of Alsace**Hitler Appoints An Administration**

LONDON, Aug. 7 (Reuter).—Instructions of Hitler's plans with regard to the absorption of Alsace-Lorraine and Luxembourg into the Reich are contained in two decrees issued by him to-day whereby the entire administration of Alsace-Lorraine and Luxembourg will, in future, be no longer independent on the Army authorities, but will be conducted by civil administrative chiefs acting immediately under Hitler.

Joseph Buerckel, Robert Wagner and Gustav Simon are appointed Gauleiters for Lorraine, Alsace and Luxembourg respectively.

Baldur von Schirach, the Hitler Youth leader, becomes Gauleiter of Vienna in place of Buerckel.

FRENCH COLONY LAYS DOWN ARMS

SPECIAL TO THE "TELEGRAPH"

CAIRO, Aug. 7 (UP).—It is officially reported that armistice terms are under discussion regarding the fate of French Somaliland.

No details are given.

The report adds: "The effect of the collapse of French Somaliland resistance is that the French offensive from Somaliland into Ethiopia is now definitely abandoned."

Meanwhile, it is officially announced in Canberra, the Australian capital, that the Council of New Caledonia, that passed a resolution on June 24, reaffirmed their intention of co-operating with Great Britain.

Russian Fleet Out, Says B.B.C. Report

SPECIAL TO THE "TELEGRAPH"

LONDON, Aug. 7 (UP).—The B.B.C. has broadcast a report emanating from Radio-Moscow, declaring that the Russian Fleet in the Pacific is engaged in large-scale manoeuvring.

Observers recall that Radio-Moscow has made several announcements of this nature recently and no significance is attached to this report.

Hungary And Rumania Start Talks**ADJUSTING RELATIONS IN THE BALKANS**

LONDON, Aug. 7 (Reuter).—According to a Budapest despatch to the official German news agency, M. Bossy, the Rumanian Ambassador in Rome, has been sent to Hungary as special envoy to begin preliminary talks with the Hungarian Government.

Envoy Arrives

BUDAPEST, Aug. 7 (Reuter).—M. Bossy has arrived and is expected to have immediate talks with the Hungarian Prime Minister and Foreign Minister.

Despite the high hopes entertained by Hungary after Hitler's talk with the Rumanians at Berchtesgaden, many people here have little faith in the result of the negotiations which are expected to move slowly to an inconclusive end.

It is noteworthy that the Germans here are busy trying to damp down revisionist enthusiasm, and are suggesting, for example, that a part or even the whole of Slovakia will be offered to Hungary as compensation for the smallness of the concession to be obtained over Transylvania.

The possibility of open Hungarian-Rumanian hostilities is not at present seriously discussed in Budapest although mobilisation is now almost complete.

Wins Bar To His D.F.M.

LONDON, Aug. 7 (Reuter).—Among R.A.F. awards announced to-day is a bar to the Distinguished Flying Medal to Flight Sergeant William Henry Franklin, formerly laboratory assistant in Eastern London.

Flight Sergeant Franklin has shot down ten enemy aircraft and has assisted in destroying a further two.

On one occasion he encountered seven fighters. He engaged five of them and destroyed one.

REPATRIATION OF BRITONS

LONDON, Aug. 7 (Reuter).—A Swedish steamer has arrived at a Scottish port from Pelsamo, Finland, with 125 Britons who had been interned in Sweden after being cut off between Trondheim and Narvik when the British Army was evacuated.

Asked if the Egyptian Government, as an ally, was co-operating to the fullest extent in this matter, Mr. Butler replied amid cheers: "We take that for granted."

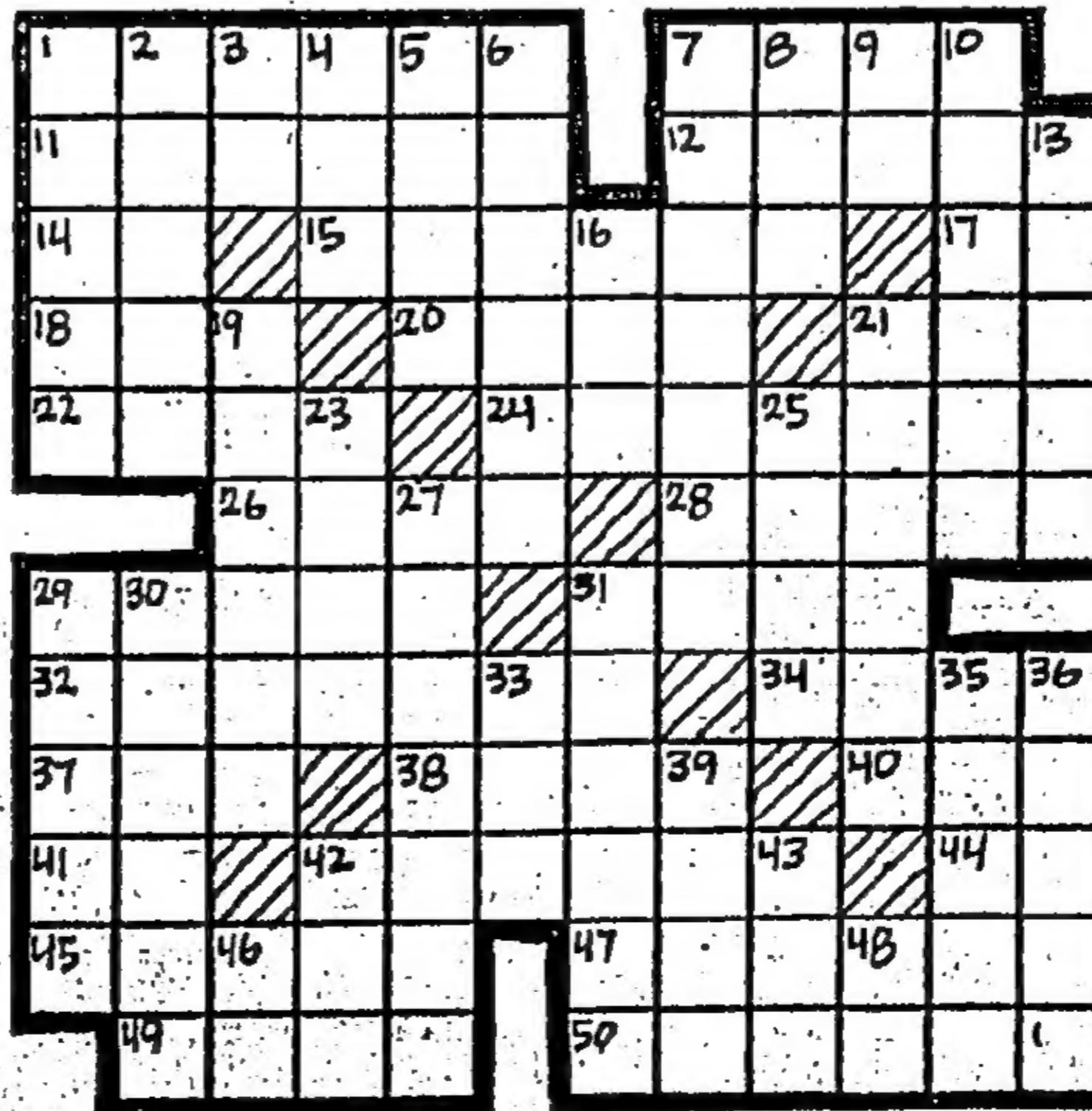
They are mostly troops, with a few airmen and seamen.

A further 111 are to be repatriated.

Crossword Puzzle

BY LARS MORRIS

ACROSS	ANSWER TO PREVIOUS PUZZLE
1—Permitted to be 7—Couple	2—Parts for window 3—Eighteenth letter 4—Piece of cloth 5—Prepare or 6—Lower
11—Procession 12—Competitor 13—Preliminary 14—Hanging 15—Seventeenth letter 16—Hebrew alphabet 17—Deuteronomy 18—Liberator 19—Oriental weight 20—Sovereign ruler of 1916 21—As large 22—Hutlock 23—Moisten on eyes 24—Cotton emblem 25—Hollowed dried potatoe 26—Freedom 27—Freed 28—Large body of water 29—Large amount during silence	7—Lower 8—Gorgon 9—Foolish 10—I have 11—Sword 12—Looks at amorously 13—Polish general of revolutionary army 14—General of 1830 15—European river 16—Prolonged cry 17—Escape 18—Slowly move 19—Dissolve 20—Here 21—Hunting animals 22—System 23—Trousers 24—Cloth shelter 25—Spot 26—King (French) 27—Medium 28—Within
30—Estimate upon 31—Allowances 32—Buddies increase	29—Part 30—Trousers 31—Cloth shelter 32—Spot 33—King (French) 34—Medium 35—Within
36—Trousers 37—Cloth shelter 38—Spot 39—King (French) 40—Medium 41—Within	36—Trousers 37—Cloth shelter 38—Spot 39—King (French) 40—Medium 41—Within
42—Estimate upon 43—Allowances 44—Buddies increase	42—Estimate upon 43—Allowances 44—Buddies increase



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SS "President Folk" SEPT. 15

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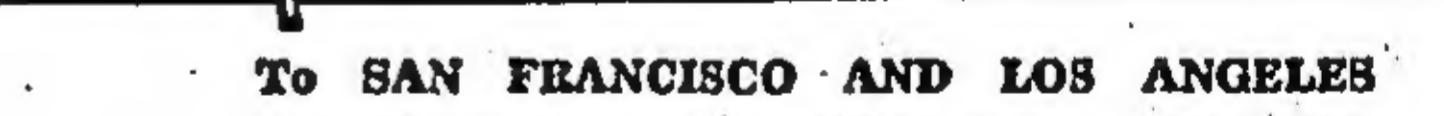
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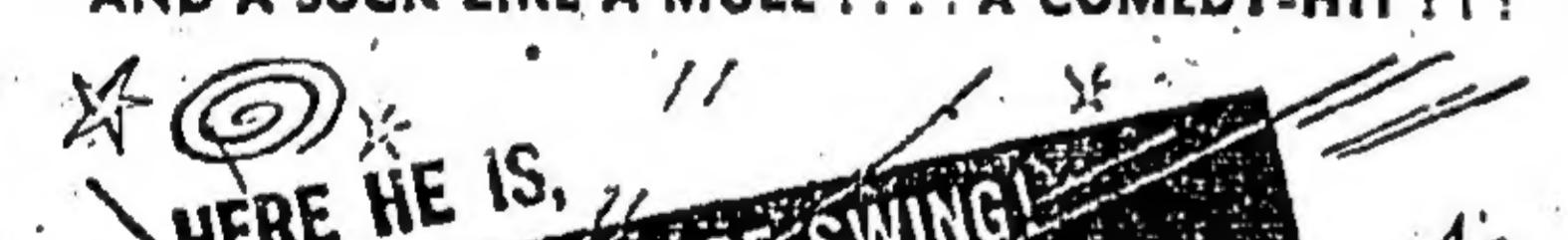
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• FINAL SHOWINGS TO-DAY

HE'S GOT A VOICE LIKE A NIGHTINGALE... AND A SOCK LIKE A MULE!... A COMEDY-HIT!!!



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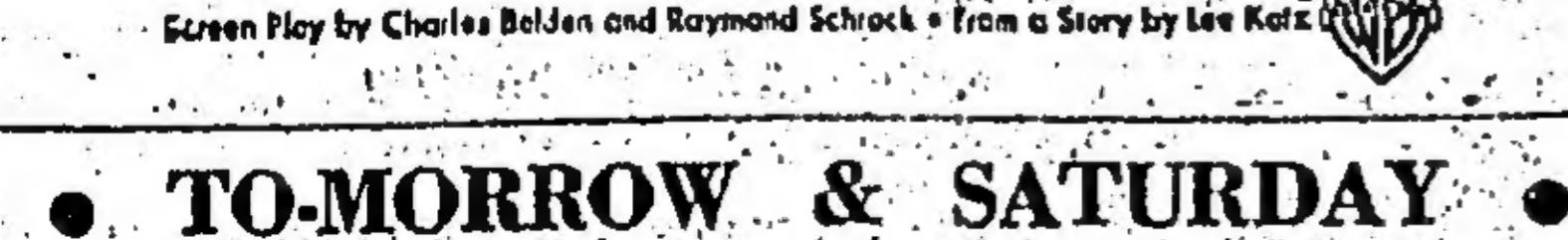
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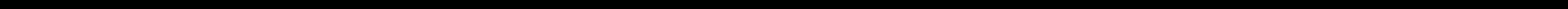
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